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Royal-Liverpool Group  
Springfield Fire & Marine Insurance Co.  
Standard Accident Insurance Company  
United States Aviation Underwriters

THURSDAY, JUNE 5, 1947



In warning Insured of under-insurance, a recent issue of the "Bulletin" of the Brooklyn Insurance Brokers' Association, Inc. said:

*"The Coinsurance requirement is presently loaded with dynamite for many Insured. It is your duty to bring home to them the meaning of this clause and its implications with as much emphasis as you can."*

*"Producers can render a real service by bringing this problem to the attention of their Insured on every possible occasion."*

We cannot help but concur in the opinion that Insured should be acquainted with "the meaning of the Coinsurance Clause and its implications." Company loss reports today show considerable under-insurance, with resultant application of the Coinsurance Clause in cases similar to those quoted herewith.

Our "Coinsurance Clause Explained" folder is acknowledged by authorities to be the best explanation of its kind. Write our Advertising Department for a supply for distribution to your Insured.

#### READ 'em and WEEP

A building was insured for \$2,000 with one agent for 27 years. During this time hardwood floors were put down, a new central heating plant installed, and a new store front built. The value of the building rose to \$12,000. A fire brought an \$1,800 loss. The Insured, who thought he was fully covered for this amount, recovered \$450. Soon after he bought \$9,600 worth of insurance with another agent.

A factory suffered damage of \$88,900. It was insured for and recovered \$12,161. The amount underinsured was \$76,739.

A fire in a home caused \$18,260 damage. Insurance covered only \$12,500. The owner lost \$5,760.

A school, damaged to the amount of \$47,012, was insured for and collected \$38,000, and payed \$9,012 of the loss itself.

A fire ate away \$6,273 worth of a mill which was covered for \$4,356 of the loss and had to absorb a deficit of \$1,917.

A foundry lost \$45,410 by fire but was covered for and collected only \$40,002 insurance, paying \$5,408 of the bill itself.

A fire loss of \$3,539 was incurred by a Y.M.C.A. Because of a shortage of insurance, the Y.M.C.A. stood \$1,092 of the loss, having been reimbursed \$2,447.

(National Underwriter)

**NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED**  
**THE PENNSYLVANIA FIRE INSURANCE COMPANY**  
**THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK**  
**THE MERCANTILE INSURANCE COMPANY OF AMERICA**  
**THE HOMELAND INSURANCE COMPANY OF AMERICA**

150 WILLIAM STREET, NEW YORK 7, N. Y.

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JUNE 5, 1947

51st Year. No. 23

## Dineen Calls for Cooperation on Rating Problems

### President's Address Calls Lack of Uniformity Real Peril to States

ATLANTIC CITY—Cooperation between the states in rate regulation, with the N.A.I.C. committee on rates and rating organizations occupying a capital role, was advanced by Superintendent Dineen of New York as the policy that will be required to make certain that rate regulation at the state level will function successfully. The development of this thesis comprised his entire presidential address Monday at the convention here of the National Assn. of Insurance Commissioners.

Mr. Dineen said the new rate laws must be administered fairly and completely. "What we do must make sense. It must be able to withstand critical review at any time, and it must make sense not only within the confines of a particular state; it must do so in relation to the activities of other states in the rate regulatory field. The drafters of the model bills did not add those provisions of the bills allowing for cooperation among states and the exchange of rate regulatory information simply as a gesture. Those provisions were incorporated therein as a part of a cooperative policy among states under which rate regulation must now function on a national basis."

### Don't Ignore Other States

The state official, he cautioned, should not immunize himself from the activities of his brother commissioners in this field.

For many years, the administrative development of a nationwide rate regulatory scheme will be in progress. Wisdom and tolerance for the views of others is needed. The commissioner should avoid prescribing unnecessary procedures peculiar to his own state and at war with workable procedures in other states. "A prolixity of conflicting and burdensome administrative requirements can bring the whole house of state regulation crashing down on our heads," he said. N.A.I.C. can aid in preventing any such catastrophe. The committee on rates and rating organizations should serve as a clearing house for the problems incident to the operation of a rate regulatory system on a coast-to-coast basis.

### Effect of Discrimination Laws

Rate practices in one state now become of concern to all states, he said, not only from a practical but from a legal standpoint. He referred to the prohibitions of price discrimination contained in the Robinson-Patman act. While such discrimination must tend to create a monopoly or to destroy competition in order to be outlawed, the new state laws simply bar discrimination that is unfair.

Insurance buyers will expect their insurance commissioners to see that the



R. E. Dineen

## TIGHTEN AMORTIZATION RULE Commissioners Approve New Statement Formula

ATLANTIC CITY—In line with the policy of gradually stiffening the requirements for amortization of bonds in the annual statements of insurance companies, N.A.I.C. at the annual meeting here adopted a formula for annual statements as of Dec. 31, 1947, in which the so-called yield test factor is 1.80% as compared with 2.10% for the 1946 statements.

This means that to be eligible for amortization, the yield on a bond at Dec. 1, 1946, and at Dec. 1, 1947, shall not exceed 1.80% plus the yield for comparable securities of fully taxable unrestricted U. S. government treasury obligations at the respective dates.

### Insurance Stock Change

Another change in the new formula involves the valuation of insurance company stocks. It is provided that such values printed in the book of valuation of securities shall be determined, first, upon public sale or bid and asked quotation prices where available, and, second, upon the sum of capital, surplus and voluntary reserves divided by the number of shares as of Nov. 30, where no market quotations are available.

Gough of New Jersey, at the committee meeting, expressed opposition to this feature insofar as life insurance stock valuation is concerned. He argued that each life company should be analyzed individually, because there is such a great difference between the nature and extent of the reserves. Book values are not reliable, he said. He read off market quotations as compared with the New York book on several life companies. For instance, on one the market was 55, book 80; others, 70 and 148, 586 and 826; 370 and 1,150; 98 and 3,276, and 220 and 4,845.

### May Offer Substitute

However, Mr. Gough withdrew his objection and he was invited by Dineen of New York, the chairman, to submit a suggested substitute provision at the December meeting.

The statement that was adopted refers to the fact that the New York and

tariff in their state is comparable to that elsewhere. Any difference in rate level will have to be justified by insurers and rating bureaus.

Mr. Dineen remarked that this new responsibility is being shouldered by the commissioner at a time when underwriting losses prevail in spite of statutory provisions for a reasonable profit. The states will need increased personnel and increased budgets, but in the final analysis the big decisions as to rates have to be made by the commissioner himself.

Mr. Dineen reviewed what he has done to promote what he characterized as "homogeneity in the figures." For 18 months a staff in New York has been making studies to lay the foundation for uniform classification of accounts. When that work is completed, he predicted, it will be easier to make comparisons of operating results and this, he contended, should stimulate competition because valid comparisons of details of operation should then be possible.

### Need Uniform Classification

A system of rating risks by size, he said, cannot be developed until uniform classifications of accounts are established, because all insurers must start from substantially the same accounting premise.

Mr. Dineen contended that a major

Massachusetts departments are now studying the matter of corporate private purchase investments. As of Dec. 31, 1946, there were about 1,500 separate issues of private purchases of corporate security issues made by insurers. Neither market quotations nor ratings are available on these and to get at the eligibility for amortization much research is required. "Emphasis," the report states, "was placed on the fact that under private purchase investments the insurers have assumed in large part the responsibility of commercial bank functions and the question arises as to what, if any, administrative or legislative action should be taken in regard thereto."

The provision for computation of amortized values on foreign bonds was revised.

### Formula on Preferred Stocks

The valuation of securities committee adopted the minutes of a previous meeting at which consideration was given to determination of values for preferred stocks purchased at private sales on which there are no public sales or quotations available. The committee at that time instructed the executive secretary to examine auditor's reports, prospectuses, preferred stock provisions, and inquire into the nature and historical background and management of the issuing company. Furthermore, that the allowable value of such stocks shall be the cost value thereof, unless the dividend actually paid produces a yield on such cost which is less than the current average yield (to be determined each Dec. 1) of a group of selected high grade preferred stock issues. If the yield on the cost is less than the average yield on the selected high grade preferred stocks, the stock shall be valued at a figure on which the dividend paid produces the same yield (3.65% as of December 1, 1946) as the average yield as of Dec. 1 on the preferred stocks which had been selected as the criterion.

That formula shall apply to privately purchased preferred stocks without arrears of dividends.

needed reform is an overhauling of the gain and loss or underwriting and investment exhibit. What is need is an exhibit that can be interpreted, at least by a well posted business man in some other line of endeavor.

The matter of the 1921 standard profit formula was discussed by Mr. Dineen. One of the questions to be answered, he said, is whether the reduction in interest rates necessitates a change in attitude toward the profit factor. The 1921 formula contains a 3% allowance for conflagrations, which are defined as losses exceeding \$1 million. Preliminary figures, he said, show that the conflagration losses paid averaged about 1% of the premiums. When the first \$1 million of each loss is charged to the experience of the state in which it occurs and the remainder is charged on a countrywide basis, in accordance with the terms of the agreement, the losses are substantially less than 1%. The difference between 1% and 3% of the average annual nationwide fire insurance premiums (for stock companies licensed in New York) of \$656,570,000 during the 25 years from 1920 to 1944, inclusive, amounts to \$11,311,000 per annum. In the meantime, however, there has been no conflagration comparable to the San Francisco fire.

Furthermore, he asked, is the million

(CONTINUED ON PAGE 17)

## Reconcile Opposing Views on N.A.I.C. Central Office

### Atmosphere of Relaxation at Atlantic City After Troubles Times

By LEVERING CARTWRIGHT

ATLANTIC CITY—N.A.I.C. Wednesday voted unanimously for a central office set up with the paid hand to be designated as assistant secretary.

Zone 3 is perfecting plans for a forum and training school for rating department deputies.

ATLANTIC CITY—The National Assn. of Insurance Commissioners enjoyed a breather, so to say, in its convention here this week. Now that the story has been written so far as fire and casualty rating legislation and related questions are concerned, the group happily found itself at Atlantic City without any all-consuming subject, and in a relaxed attitude proceeded to take up a lot of things that seemed mundane. The atmosphere of Atlantic City contributed to such relaxation, the entertainment



S. B. Thompson

was splendid, the attendance was less than it has been in recent years, hence less congestion, and it was pretty much an old-fashioned pre-war, pre-S.E.U.A. commissioners' convention.

The gathering was shocked and saddened by the death in his room Tuesday morning of A. N. Butler, vice-president of Corroon & Reynolds, former New York deputy and traditional chairman of arrangements for the December New York meeting. There was no more popular man at these conventions. The shock was all the greater because Mr. and Mrs. Butler had been greeting friends on all sides late Monday night as they paraded the boardwalk in a rolling chair. Mr. Butler was one of the main spark plugs of the gatherings of the Pamunkey Tribe of Real Indians and the Pamunkey ceremonial scheduled for Wednesday night was called off following his death.

### Contest for Executive Chairman

As the convention moved toward its closing stages it was taken for granted that Seth Thompson of Oregon would be elevated to president to succeed Dineen of New York and that Larson of Florida would advance from executive committee chairman to vice-president. However, a four-cornered contest was under way for chairman of the executive committee, the candidates being Forbes of Michigan, Allyn of Connecticut, Hodges of North Carolina, and Kavanagh of Colorado.

Everyone is delighted with the prospect of the December convention at the Flamingo hotel, Miami Beach, Dec. 7-10. Commissioners and their staffs are to have first call on the Flamingo. Those that cannot be accommodated there will be housed at the Floridian.

It appeared certain that the associa-

(CONTINUED ON PAGE 17)

## UNDER MEDICAL ADVICE

## Carter Lightens Duties with Caledonian Group

Henry Carter, United States chairman of Caledonian group and president of Caledonian-American, has resigned the latter position under medical advice following three cardiac attacks within the last 18 months.

George L. Armstrong, vice-president of Caledonian-American, has been appointed president of that company and a director and deputy chairman of Caledonian and Netherlands. Mr. Carter will continue as director of each of the three companies and will remain as chairman of Caledonian and Netherlands.

Mr. Armstrong joined Caledonian as a junior clerk at the home office and served in the field in England. He had experience at the Calcutta office as a junior executive and following service with the British navy during the war was named vice-president of Caledonian-American.

## N. Y. Requires Uniform Real Estate Accounting

Superintendent Dineen of New York has promulgated what may be the first uniform classifications of accounts ever officially prescribed in insurance. The new regulation is limited in its application to accounting in connection with real estate investments made by New York domestic insurance companies for income purposes.

Permission to purchase real estate for investment income purposes, subject to certain limitations, was granted to domestic insurers by the 1946 legislature. To date, only life insurance companies have taken advantage of the statute. The department considers it essential to have an accurate method of observing the results of such real estate investments and the uniform accounting will permit valid comparisons of results by the various companies. It will also permit companies to compare results.

The regulation specifies the details of records including definitions of cost figures, items of income and expense and reserves to be maintained. It sets forth reporting requirements for annual statement purposes, as well as a special annual report to be filed.

## Develop Novel Final Exam

A novel approach for final examination has been developed for insurance schools by Howard Campbell, manager of the special service department of Kansas City F. & M.

During the past year, the company has conducted a school in all phases of insurance for employees, agents and buyers. At the end of the term, Mr. Campbell prepared a map of a mythical city, showing residences, business buildings and municipal activities. Accompanying the map are sets of statements, giving the details of each building and enterprise. After studying the map and information, the student is asked to recommend complete coverage for each business or municipal building.

## Now Rutledge-Jones Co.

Henry H. Rutledge, owner of the Rutledge & Moser agency at Cincinnati, has taken Gordon H. Jones as a partner. The name of the agency has been changed to Rutledge-Jones Co. Mr. Jones formerly was with W. E. Lord & Co.



Henry Carter

## Program Ready for N.A.I.W. Convention

Registrations for the annual convention of the National Assn. of Insurance Women June 18-20 at New York are well above the 500 mark. The program has been completed and is based on the theme, "Patterns for Progress." It runs as follows:

11:45 a. m., Wednesday, June 18—luncheon and welcome by Mayor O'Dwyer of New York. Speaker, John C. Stott, national state director New York Assn. of Local Agents.

2:30 p. m., business session and committee reports.

6:15 p. m., dinner. Speaker, Vera M. Dean, Foreign Policy Assn.

## Thursday, June 19

Business sessions all day. W. E. Mallalieu, general manager National Board, and J. Dewey Dorsett, general manager Assn. of Casualty & Surety Companies, will speak at the 1st vice-president's luncheon.

## Friday, June 20

Business sessions all day. Lisa Sergio, radio commentator, will speak at the Club Presidents luncheon.

7 p. m., dinner. Speaker, Alfred J. Bohlinger, first deputy New York department; George E. Sokolsky, columnist. Officers will be installed.

## Connecticut Agents Hold Mid-Year Rally at Westport

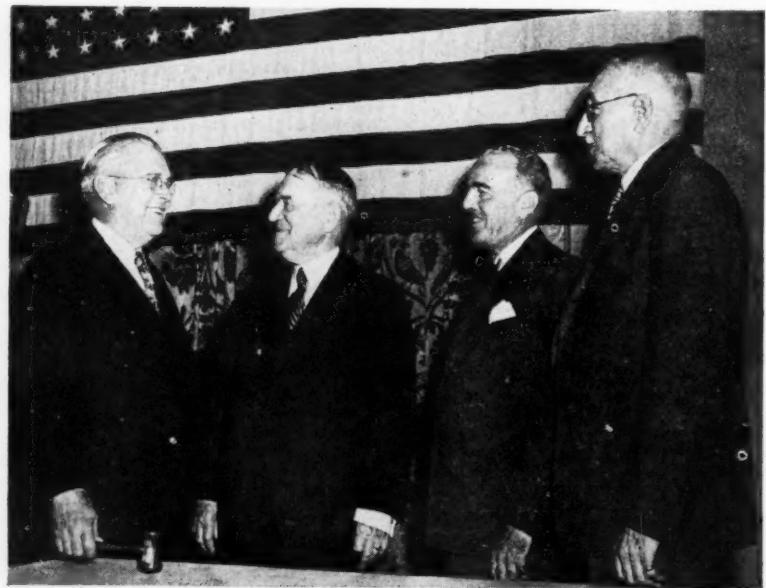
The Connecticut Assn. of Insurance Agents conducted their mid-year meeting Wednesday at the Long Shore Country Club, Westport.

At the morning program, Oscar H. West, Washington, representative of the National association described the activities of his office in connection with insurance legislation, and John H. Eglof, head of Travelers training school, spoke on "Customer Confidence—the Maximum Premium." Greetings from the Connecticut department were given by Frank F. Wagner, supervisor of licenses.

The afternoon was divided between sports and a forum on three pertinent agency topics. They were—agency qualifications laws, minimum premiums on fire policies, and A-1 classification on automobile B.I. and P.D.

The executive committee met Tuesday.

## New Leaders of National Board



New officers of the National Board at the annual meeting in New York. From left: J. M. Haines, Phoenix-London group, president; W. Ross McCain, Aetna Fire, vice-president; Peter J. Berry, Security of New Haven, secretary, and W. E. Mallalieu, general manager.

## Pa. Claim Men Meet June 13-14

HARRISBURG—The first pre-war convention of the Pennsylvania Claim Men's Assn. will be held at Bedford Springs Hotel, Bedford, Pa., June 13-14. Luther F. Brame, Harrisburg, is president.

The evening of the opening day Commissioner Malone will speak.

Election of officers will be Saturday morning. The nominating committee has named the following:

President, F. P. Sullivan, Lumbermen's Mutual, Pittsburgh; vice-presidents, J. C. Phillips, U. S. F. & G., Harrisburg; Robert B. Hubbard, Keystone Adjustment, Altoona; D. P. Cocklin, Farm Bureau Mutual, Allentown; J. M. McKnight, independent adjuster, Erie, and treasurer, Stacey R. Albany, Hurley Adjustment, Harrisburg. The secretary, to be chosen from the Pittsburgh group, will be nominated from the floor.

More than 250 delegates from local associations are expected to attend the meeting.

## Seven Companies Win Suit Over Seattle Loss

An interesting law suit was won by seven defendant fire companies at Seattle with decision by a jury in King county superior court in a suit brought by Wilfred G. Easterbrook d.b.a. Tyee Lumber Co.

The lumber company's fire policies contained an exclusion of "boilers, foundations, settings and grates." On Jan. 8, 1945, an inherent explosion occurred in a Dutch oven attached to an automatic stoker. The plant burned hog fuel and required the extended furnace or Dutch oven to burn the fuel efficiently. In the explosion the Dutch oven was demolished.

In addition there was some damage to the plant for which the companies paid \$4,467. The plaintiff contended that the Dutch oven was covered under the policy. The case was tried on a question of fact which the jury decided in favor of the companies.

Clarke & Clarke, Seattle attorneys, represented Home, New Zealand, Glens Falls, Phoenix of Hartford, Mercantile and London Assurance. Allemannia was represented by Patterson & Patterson.

## Miami Beach Gets December Meeting of Commissioners

ATLANTIC CITY—The Flamingo Hotel, Miami Beach, was selected by the executive committee at its meeting Sunday for the December gathering of the National Assn. of Insurance Commissioners.

This compliment J. Edwin Larson, Florida commissioner, who at the meeting here was advanced from chairman of the executive committee to vice-president. Superintendent Dineen of New York remarked that New York City had become the traditional December meeting place, but that he was no slave to ritual and that the feelings of Empire State would not be hurt if N.A.I.C. decided to go elsewhere.

Commissioner Butler of Texas said that he had come prepared to issue an invitation for Galveston, but would refrain from doing so in view of the Miami Beach plans. However, he said Galveston wants to be host at some further December roundup.

Fortifying the Miami Beach bid were John Stubblefield, manager of the Flamingo, and James C. Wood of the Miami Beach convention bureau, who spoke briefly. The Flamingo has 15 acres of facilities inside its walls and Mr. Stubblefield said the hotel will be reserved for the exclusive use of the commissioners.

It was announced that Boston had entered an invitation for the convention of June, 1950, and that the Omaha chamber of commerce had asked for the meeting next June.

## N. J. Mutual Agents Meet in Trenton Annual Session

The New Jersey Assn. of Mutual Insurance Agents held its annual meeting at Trenton for two days, starting with a golf tournament at Hopewell Valley Golf Club. That night there was a get-together in association headquarters. The annual business meeting was held the second morning, with greetings by President J. C. Petri, New Brunswick; Harry W. Smith, Newark, president Middle Atlantic States 1752 Club; Phil L. Baldwin, executive secretary National Assn. of Mutual Insurance Agents, Washington; and representatives from the insurance department and governor's office.

At luncheon, C. L. Nelson, Lumber Mutual Fire, was toastmaster. Speakers included Roy R. Allsopp, Philadelphia, Grain Dealers National Mutual Fire, on "Valued Possession—Protect It"; Len Sharp, vice-president and secretary Mill Owners Mutual Fire, on "Company-Agency Cooperation"; E. E. Willard, supervisor Improved Risk Mutuals, on "Prestige Builds Profits"; Arthur Von Thaden, president Excess Underwriters, New York City, on "Excess Insurance—Fire and Casualty," and J. R. Harris, president Franklin Mutual, on "Factors in Fire Rate Structure."

In an afternoon forum, questions of special agent cooperation, agency management and company-agency coordination were discussed, with this panel of experts: Roy R. Allsopp, E. E. Willard, Arthur Von Thaden, J. R. Harris, Clifford C. Nelson, G. H. Howell and Len Sharp.

The banquet was held that night.

## McCormack on Mutual Program

NASHVILLE—Commissioner McCormack has been asked to interpret the new Tennessee fair practices act at the annual meeting of the Tennessee Assn. of Mutual Insurance Agents at Knoxville June 8-10. Other speakers include Sam Chandler, president National Assn. of Mutual Agents; E. C. Frampton, sales manager Lumbermen's Mutual, Mansfield, O.; E. E. Willard, Improved Risks Mutuals, and Henry Robertson, chief claim adjuster Northwestern Mutual.

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## Arkansas Tornado Damage \$150,000

Sudden Twister Hit Rural Areas Mainly. Death Toll 33

LITTLE ROCK—The short-lived but vicious tornado which struck rural areas touching the outskirts of Pine Bluff Sunday afternoon caused an estimated property damage of \$150,000 and 33 deaths, with more than 300 injured. By Monday, 15 persons were still reported missing. It is estimated that 50% to 60% of the values destroyed were insured.

Since the storm hit mainly small communities, the principal damage was to farms, dwellings and country mercantile buildings, many of low value. Fire Companies Adjustment Bureau estimated the individual losses would be mainly in the \$1,500 to \$6,000 bracket.

### Two Plantations Destroyed

Two large plantations were practically obliterated, the Chambliss plantation adjoining Grider Field airport, close to Pine Bluff, and the Stratton plantation, also in the immediate area. Grider Field and its installations were undamaged, the storm missing the airport by 600 yards. Three dairies in the area were damaged, although no estimate has been made of the extent.

The comparatively high death toll is attributed to the fact that the storm struck swiftly and with little warning. People were enjoying Sunday in their homes, and, since the area is well supplied with trees, inhabitants were unable to discover the quickly gathering tornado until it was upon them. Eleven young Negroes were reported to have been in a club operated for teen-agers on the Warren highway south of Pine Bluff. All were killed and their bodies strewn over a 50 yard radius when the building was splintered by the storm.

## Operations Under New Rate Laws Main Subject at Arizona Mid-Year Meeting

The main subject for consideration at the mid-year meeting of the Arizona Assn. of Insurance Agents was operation of the business under Arizona's new rate laws. Conde Withers, assistant manager Arizona Equitable Rating Bureau, predicted that the fire and allied lines will continue as is, and Lowell Miller, San Francisco, Pacific branch manager National Bureau of Casualty & Surety Underwriters, declared that the casualty business should continue along similar lines, but the use of equity treatment by bureau members or special rates by independents would have to follow a fixed schedule of experience rating in order to comply with the non-discriminatory feature of state regulation.

Kenneth L. Nehring, president, was in charge. It was decided to hold the annual convention at Tucson, Oct. 26-28 at the Pioneer hotel.

The executive committee met the first morning. There were four reports at the second session, they being the president's, executive committee, national mid-year meeting and the War West Agents Conference and contact committee. In the morning on the last day, there was a discussion on new forms and rules, accident and fire prevention, production branch offices and general agencies, future legislative problems, and other insurance problems.

After a number of weeks in Seattle general hospital, **W. M. Thomson**, manager of the Washington Insurance Examining Bureau, has been released and is reported well on the road to recovery from a heart attack. His doctor has prescribed complete rest for an indefinite period and he will take a prolonged vacation before returning to the office.

## N.A.U.A. Elects Polley at Annual Meeting in N. Y.

Arthur L. Polley, vice-president Hartford Fire, was elected president of the National Automobile Underwriters Assn. at the annual meeting in New York last week. Philip J. Priore, assistant manager of Sun, is vice-president, and Walter F. Beyer, vice-president Home group, was reelected treasurer. J. Ross Moore continues as manager.

J. V. Herd, America Fore, retiring president, reviewed briefly the association's work during the past year, and touched on questions in automobile physical damage lines and the improved statistical classification plan recently adopted by the group.

New regional directors elected are: East — H. W. Miller, Commercial Union; Pacific Coast — R. H. Griffith, Glens Falls; South — J. C. Thomson, Fire Association; and West — E. H. Forkel, National Fire.

## Mich. Bill Seeks Four-Year Term for Commissioner

LANSING, MICH.—Requiring only Gov. Sigler's approval, an act has been passed by the legislature to establish a four-year term for the commissioner, thus assuring a tenure in that office that has been enjoyed by only three commissioners in the last two decades.

The house passed the bill. Under present law the commissioner holds office at the pleasure of the governor and until a successor has qualified, so a change in the department head was a virtual certainty whenever there was a change in chief executives, particularly if of different political faith.

Governor Sigler, a Republican, several weeks ago announced reappointment of Commissioner Forbes who had held office for two terms under former Governor Kelly. The present executive, however, has not sought senate confirmation and it is presumed this will not be done until the new law becomes effective, thus assuring Commissioner Forbes an additional four years in office.

## Scarlett Addresses New England Loss Executives

George G. Scarlett, general agent in New York City of Underwriters Salvage Co. of New York, addressed the New England Claim Executives Conference in Hartford, speaking on the development of the company since 1893, when it sold 41 stocks of merchandise. In 1946 the number was more than 2,000. He told of the training period which men must pass through before being permitted to handle a major loss.

Asked about the market situation, he said he saw no prospect of price increase. Buyers are willing to pay good prices for goods that they can turn over quickly but are afraid of long-pull commitments.

Sidney Eberson, the company's general agent in New England, spoke on conditions in the shoe and leather industry.

Grant Bulkley, vice-president of Springfield F. & M. and president of the conference, conducted the meeting.

## DeShields Reopens Office

The Baltimore office of Appleton & Cox was reopened June 2 in 402 Stock Exchange building, serving Maryland, Delaware and District of Columbia, in charge of Hoyt B. DeShields, Jr., state agent.

Mr. DeShields formerly was in charge of the Baltimore office, but left to serve in the navy as an ensign. He was assistant naval attache in Rio de Janeiro, then was at Pearl Harbor and later assistant port director at Kobe, Osaka and Wakayama, becoming a lieutenant commander.

## Promotions Made by Fireman's Fund

LOS ANGELES—Fireman's Fund group has made several promotions in personnel of the southern California branch. Albert E. Treiber, special agent, has been appointed assistant manager of the fire department associated with Chester A. Swift, its manager. Herman J. Schroeder, engineer, has been advanced to superintendent improved risk and service department.

Mr. Treiber has spent his whole business career with Fireman's Fund, starting at the head office in 1921. He became head examiner there and in 1929 was transferred to Los Angeles. In 1938 he was appointed special agent for Los Angeles county.

### Schroeder's Career

Mr. Schroeder was educated in Chicago, where he attended the Dean School of Engineering. Then he was associated with large brokerage firms in Chicago and New York, specializing in fire protection and safety engineering in industrial and commercial plants. He came to Los Angeles in 1939 and became vice-president of Eliel & Loeb of California and a representative of the Hendricks Engineering Corp. He entered the coast guard in 1942 and served 32 months. Then he joined Fireman's Fund in 1945, and later was transferred to Los Angeles as engineer in the fire department.

## Consultants Recommend Wis. Department Changes

MADISON, WIS.—Findings and recommendations affecting the Wisconsin insurance department are contained in a survey made public by the Wisconsin legislative committee that has been studying the reports made by Griffenhagen & Associates, Chicago consultants in public administration, which also cover other state departments.

Recommendations were made that the insurance commissioner be relieved of his duties as state fire marshal and that investigation of arson cases be placed with another department, possibly the attorney general. The survey points out also that the insurance department is not overstaffed, but additional workers would be needed after the state takes over more strict supervision of insurance rates, as provided in current legislative measures.

Another recommendation is that underwriting expenses of the state life and fire funds be placed under legislative control. Investigators noted that under present arrangements "there is no means for preventing an unscrupulous commissioner from overstaffing these divisions, nor from hiring additional employees."

The legislative committee that has been studying the Griffenhagen reports is releasing studies as they are completed but no action has been taken on the recommendations in the reports of the consultants.

## May Probe Government Competition with Insurance

WASHINGTON—A staff member of the House small business committee has indicated its impending investigation of government agencies' competition with private business may go into government insurance activities. The investigation is planned by Rep. Ploeser, St. Louis agent and committee chairman. Rep. Howell, Illinois, who sponsored the Crosser railroad retirement act amendments, heads a subcommittee to take charge of the investigation, scheduled to begin next fall.

Mr. Ploeser's plans also call for investigation of "giant cooperatives" and tax exemption of cooperatives and foundations.

Willis J. Ballinger, former economic adviser to FTC, will be economic counsel for the committee.

## New Rate Laws Major Topic of S. Carolina Agents

Schachte New President, Hudson Succeeds Grier as National Director

### OFFICERS ELECTED

President—F. B. Schachte, Charleston.

Vice-president—T. B. Boyle, Columbia.

Secretary—Claude Vaughan, Darlington (reelected).

State National Director—J. T. Hudson, Spartanburg.

Manager—H. P. North, Columbia (reelected).

With the new rate laws of the state as a major subject of interest, the South Carolina Assn. of Insurance Agents drew a record-breaking crowd at its meeting at Myrtle Beach last week and packed every session beyond expectation. Over 300 were registered for the meeting, while membership was reported at a new high of 320, a gain of 50 in the three years that H. P. North has been manager.

The only note of regret in the meeting — which combined a holiday atmosphere with serious consideration of current insurance problems — was the retirement of L. A. Grier, Spartanburg, as state national director. A member of the national board since it was organized in 1942, Mr. Grier insisted upon stepping aside and the South Carolina agents reluctantly respected his wishes. He was



T. R. Miller



L. A. Grier



L. G. Benjamin

succeeded by J. T. Hudson, the retiring president, who made an outstanding record during his term of office.

F. B. Schachte, Charleston, the new president, is a past president of the Charleston board and served on the executive committee six years before becoming vice-president last year. T. B. Boyle, Columbia, who has been a member of the executive committee, was elected vice-president.

In his opening remarks, President Hudson touched upon the major interest of the meeting by describing the confusion in the insurance business since the Southeastern Underwriters Assn. decision, pointing out that no one knows what effect the new rating laws, including those of South Carolina, will have on the business. It is important for organized agents, he emphasized, to study every foreseeable problem and to be prepared, as much as possible, to meet the unexpected ones. He said that an

(CONTINUED ON PAGE 30)

## Committee Meetings N.A.I.C. First Work

ATLANTIC CITY—The only convention activity of the N.A.I.C. on Saturday consisted of a meeting of the Zone 1 commissioners through the afternoon. Sunday afternoon there was conducted the first session of the executive committee with Larson of Florida presiding. At that time the decision was reached to hold the December meeting at the Flamingo Hotel, Miami Beach. Incidentally, it is expected that many

department people and camp followers may work in a vacation at that time, as the Flamingo will offer pre-season rates of \$6 single and \$8 double for members of the group during the first two weeks of December.

Following that meeting the group witnessed the broadcast of the Prudential "Family Hour," the performers having been transplanted from Broadway to Haddon Hall for the occasion. Refer-

ence was made in the announcement over the air to the fact that the show was being given at Atlantic City for the insurance commissioners. This was a great thrill for the conventioners and it will go down as one of the most highly appreciated entertainment features of N.A.I.C. history.

The New Jersey companies were hosts at a cocktail party and sumptuous buffet supper.

Preceding the first plenary session of the association Monday morning, there was held a meeting of the rates and rating organization and federal legisla-

tion committees, with Harrington of Massachusetts presiding.

G. D. Finlayson, Canadian superintendent, inquired whether there is anything legislatively to protect Canadians from unauthorized operations of U.S. insurers. He said, for instance, there is such a company with \$25,000 assets that is soliciting life, accident and sickness insurance in Canada by mail. To be properly registered, it would have to deposit \$160,000. The Canadian department wrote to this company, which replied that it was really a fraternal and was entitled to get into Canada for \$10,000. However, it was not a fraternal under the Canadian law, because its contracts are not of the open end type. This company was requested to refuse to issue insurance to Canadians even if a Canadian should ask for it. The mails were closed to this company, but it is now using blank envelopes with innocent looking reply addresses. The commissioner of the state in which this company is located expressed sympathy but said he can do nothing about it. The record in Canada is, Mr. Finlayson said, that no policyholder has lost money and "we want to keep it that way."

### F.T.C. May Enter

Harrington suggested that after Jan. 1, 1948, the federal trade commission will be able to handle such matters and Finlayson expressed delight at that prospect.

Hunter of Manitoba said in his province he can cancel the license of a Manitoba insurer that operates afield without being registered. He said a Manitoba agent went on a vacation in Minnesota and undertook to finance his holiday by selling life insurance in his company to Minnesotans. When this was brought to the attention of the Manitoba department, Mr. Hunter compelled that agent to return to the Minnesota people all the premiums he had collected.

### FAIR TRADE ACTS

The question was brought up of whether a state insurance anti-trust law is desirable in addition to a state fair trade practice act. Dineen said a big insurance lobby succeeded in defeating his anti-trust bill. The legislature passed the F.T.C. bill, but the governor vetoed it on the theory that such a bill without being related to an anti-trust act is worthless. Dineen observed that the federal trade commission act is supplementary to the anti-trust laws. He said that, while rating laws take care of most concerted action problems, there are other things, such as allocation of territory, that are at war with federal acts.

Harrington said this is a live subject currently in Massachusetts and he asked for expressions of opinion from industry representatives. When none was forthcoming he said the record of the meeting indicating silence on the part of industry would be of interest to the legislators.

McCormack of Tennessee said the fire insurance people lobbied against the \$5,000 penalty provision of the fair trade practices bill in Tennessee. He said he favors keeping that penalty on the theory that to assess a penalty less than that contained in the federal act would put the states in disrepute.

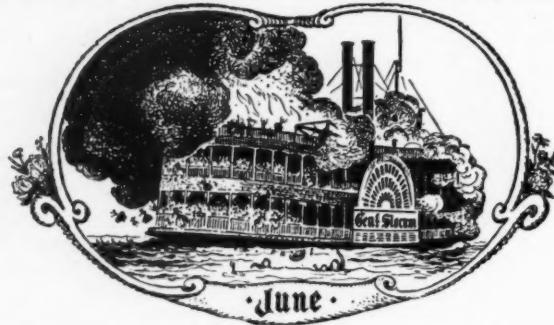
### Rap "Secret Sin" Provisions

Bruce Shepherd of Life Insurance Assn. of America contended that at the state level new penalties are being added under fair trade practices acts to old penalties such as cancellation of license under existing laws.

E. A. Meyers of Ekern, Meyers & Matthias, Chicago law firm, said state legislators are leary of the "secret sin" portion of the fair trade practices act. If they can be shown that some abuse exists, they are ready to name it and prescribe it, but they don't want to make the commissioner "king." If the federal trade commission butts in, he said, the states can easily get an amendment.

(CONTINUED ON PAGE 15)

## INSURANCE CALENDAR



On June 15, 1904, about 1000 people lost their lives when the *General Slocum*, an excursion steamer, caught fire going up New York's East River. Shocked by this disaster, the nation took new steps to eliminate its worst fire hazards, residential and factory as well as marine—a course of action which leading insurance companies like those in Fire Association Group, were then and are now actively campaigning for, and which has lowered the low cost of property insurance.

1947—JUNE hath 30 days

"The sun is always shining somewhere"

- 1—Su.—1660, Mary Dyer, Quaker, hanged in Boston.
- 2—M.—1851, Maine prohibition law enacted.
- 3—Tu.— **Full Moon, 2:27 P. M., E. S. T.**
- 4—W.— 1942, Japanese routed Midway Island, June 3—6.
- 5—Th.—1752, Benjamin Franklin identified lightning as electricity.
- 6—Fr.—1944, Invasion of Normandy.
- 7—Sa.—1776, Richard Henry Lee's resolution favoring American Independence.
- 8—Su.—1861, state of war between Texas-Federal Government.
- 9—M.—1911, death of Carry Nation, Kansas crusader.
- 10—Tu.—1801, Tripoli declared war against United States.
- 11—W.— **Last Quarter, 5:58 P. M., E. S. T.**
- 12—Th.— 1776, Virginia adopted Declaration of Rights.
- 13—Fr.—**Make sure all improvements or additions to your property are fully insured.**
- 14—Sa.—FLAG DAY—Stars and Stripes adopted 1777.
- 15—Su.—**Father's Day;** 1836 Arkansas admitted to Union.
- 16—M.—**It's wise to have your Agent or Broker review your property insurance regularly.**
- 17—Tu.—1775, Battle of Bunker Hill.
- 18—W.— **New Moon, 4:26 P. M., E. S. T.**
- 19—Th.—1819, Maine separated from Massachusetts.
- 20—Fr.—1789, French revolution began.
- 21—Sa.—1943, Detroit race riots—34 killed.
- 22—Su.—**Today, adequate property insurance costs little . . . fires cost more than ever.**
- 23—M.—1869, First practical typewriter.
- 24—Tu.—1497, Cabot discovered North American Continent.
- 25—W.— **First Quarter, 7:25 A. M., E. S. T.**
- 26—Th.— 1945, 50 nations signed U. N. Charter.
- 27—Fr.—1944, Fall of Cherbourg.
- 28—Sa.—St. Vitus Day.
- 29—Su.—1852, death of Henry Clay.
- 30—M.—1834, Indian Territory established by Congress.

**OBSERVATION for June:** Find out just where you stand protection-wise . . . see your Agent or Broker today!

PROPERTY INSURANCE  
Fire-Auto-Marine-Aviation

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company  
PHILADELPHIA



Lumbermen's Insurance Company  
Philadelphia National Insurance Company  
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817

### SUGGEST

**"Eatin' Money"**  
COVERAGE



Try an experiment. Ask every client why he doesn't take out "Eatin' Money Insurance". You

will get a chance to explain that a few dollars will buy **Additional Living Expense** coverage that pays the staggering extra cost of living away from his home if it should burn. And we'll lay you a little bet that you'll not only sell the insurance but go up more than a few notches in your client's respect.

Actually the need for **Additional Living Expense Insurance** is so obvious today that all of us owe it to our professional pride to make sure every one of our policyholders knows about it. With repair conditions as they are now, even a minor fire can easily make a home untenable for months. And with virtually no vacant homes available, this may mean a long residence at a hotel, where the cost of keeping a family is from 3 to 6 times the normal cost.

While this form of insurance may not seem to be an important premium producer, actually it is one of the finest of business-builders today. When you tell a client about "Eatin' Money" risk you gain his respect as an able insurance counselor, you cement his friendship and guarantee his lasting good will. What better sources of commissions are there?

Fire Association Group, 401 Walnut St., Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

### HELP YOURSELF . . .

use the ideas in this Insurance Calendar for your local advertising.

## BEDFORD HOUSE

"AT LENGTH, my good friend, I am arrived at the land of my nativity; and I bless God that it is also the land of light, liberty and plenty. My emotions cannot be described."



The library where Jay read, wrote and died

This sentiment, written to a friend by John Jay upon his return from nine months abroad, is indicative of the love and devotion this great statesman held for his country and home. His life had been dedicated to loyal service as a member of the Continental Congresses, special envoy to Great Britain, Minister to Spain and Governor of New York. His greatest moment had come in 1789 — his appointment by George Washington as the first Chief Justice of the Supreme Court of the United States.

When, in 1800, President John Adams nominated Jay as Chief Justice for a second time, the appointment was declined. The jurist was determined to withdraw permanently from the public life he had faithfully served for twenty-seven years.

That John Jay should retire to Bedford House, his country estate of 85,000 acres at Katonah, New York, was the natural ful-

## Famous American Homes



"It always gives me pleasure to see trees which I have reared and planted"

fillment of a long-cherished dream. Affairs of state put aside, he could devote his time in full to rural neighborhood interests, his family and the development of his farm.

An early riser, he cut a hole in the solid shutter so that the sun's first rays might awaken him. Weather permitting, he would ride by horseback about the grounds, supervising the labors of his farm hands.

John Jay was especially fond of his house, a handsome structure of wood which he built in 1800. It is situated on rising ground backed with lush woods and a beautiful lawn at the south front which commands a pleasant view of Long Island Sound. The original house stands today with only the addition of several rooms, and its present owner takes pride in keeping up its appearance as her great-great grandfather, John Jay himself, would have had her do.

He died in 1829 in the library of Bedford House where so many hours had been spent in reading and correspondence. As a statesman no less than as a private citizen, John Jay was governed by the highest moral principles and unwavering devotion to duty. Public office to him was a public trust. Upon his death a contemporary jurist said, "Few men in any country, perhaps scarcely one in this, have filled a larger space, and few ever passed through life with such perfect purity, integrity and honour."

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.



Our first Chief Justice

★ THE HOME ★  
Insurance Company  
NEW YORK

FIRE • AUTOMOBILE • MARINE

THROUGH THE YEARS WITH APPLETON & COX  
75TH YEAR



1887

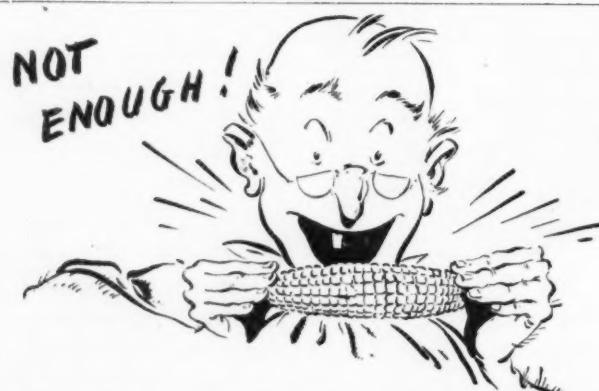
ELECTRIC RAILWAY.. RICHMOND, VIRGINIA

Experiments on the use of electricity for railroads had long fascinated inventors the world over, but the modern development is generally credited to the American, Frank J. Sprague, in recognition of his work in building the system of Richmond, Virginia. Instead of the one and two-car roads previously operated, the Richmond contract, begun in 1887 and completed in 1888, included the construction of a generating station and the equipment of forty cars, each with two 7½ horse power motors. It had less than fifty miles of track, numerous

curves and grades of three to ten per cent . . . a modest beginning for the 2,686 miles of electrified track in use throughout the United States today.

Today's far-reaching transportation insurance arose from the earliest known form of underwriting — protecting goods in transit. Transportation policies issued by Appleton & Cox have kept pace with the development of rail and motor truck transport and are "tailor made" to fit the needs of modern commerce.

**Appleton & Cox**  
INCORPORATED  
OCEAN AND INLAND MARINE UNDERWRITERS  
111 John Street, New York  
BRANCHES IN PRINCIPAL CITIES



"Not enough" - we hear it all too often these days. That's why we continue to urge adequate insurance to protect the property owner.

THE CHARTER OAK FIRE INSURANCE COMPANY

Country-Wide Insurance Analysis  
and Claim Service

Hartford, Connecticut

ONE OF THE TRAVELERS COMPANIES

Program for Wash.  
Agents Announced

A number of speakers have been scheduled on the program for the annual convention of the Washington Assn. of Insurance Agents at Spokane Aug. 5. S. B. Carkeek of R. J. Martin & Co., is general chairman in charge of arrangements.

Guy T. Warfield, Jr., Baltimore, president National association, will be the headliner. William H. Brewster, New York, manager automobile division National Bureau of Casualty & Surety Underwriters, and John Henry Martin, San Francisco, manager Standard Forms Bureau, also will speak.

Department Men Participate

Two panels have been arranged. Commissioner Sullivan will be assisted by Special Deputy Williams in explanation of administrative procedure under the new insurance code which goes in effect Oct. 1. The second panel will feature the new broad form financial responsibility law enacted by the legislature but vetoed by Governor Wallgren. An attempt to override the veto will be made in the 1949 legislature.

B. K. Campbell, Seattle manager for the National Bureau; J. Wilson Gowdy, assistant vice-president Northwest Casualty, and Irwin Mesher, executive secretary Washington agents, will participate.

Grain Warehouse Question  
in Washington Clarified

SEATTLE—Clarification of the fire insurance requirements of the new Washington law requiring public grain warehouses to be licensed has been accomplished in conferences of company representatives with the director of agriculture. The new law becomes effective June 11.

The department of agriculture has circularized warehousemen regarding their responsibility under the act. The director of agriculture indicated his willingness to accept and retain in his files the original fire policies as evidence of the existence of insurance.

The act requires that the director receive 10 days' notice of cancellation of any policies and the Washington Surveying & Rating Bureau has notified subscribers and agents that the following special endorsement relating to cancellation be attached to policies deposited with the director:

"It is agreed that this policy shall not be canceled by the company without giving the director of agriculture . . . written notice of cancellation at least 10 days prior to the effective date thereof."

Program for New England  
Agents Rally Announced

The program is announced for the summer meeting of the New England Assns. of Insurance Agents to be held at the New Ocean House, Swampscott, Mass., June 19-21. The program committee, headed by Carleton I. Fisher, Providence, R. I., has selected "Your Association in Action" as the theme.

The convention will get under way Thursday evening with the annual get-together banquet. Dr. Henry Gerald, the "Wizard of Denmark," has been selected to entertain following the banquet and a few brief speeches.

Friday morning in the first business session, Guy T. Warfield, president National association, will speak on the convention theme. A. E. Spottke, secretary National Bureau of Casualty & Surety Underwriters, will speak on "Recent Developments in Casualty Insurance." An attempt is being made to secure a third speaker for the session.

The afternoon is open for recreation. There will be tennis, horseshoes, putting and other sports, with prizes to be awarded winners following dinner Friday.

day evening. Three vaudeville acts have been engaged to entertain Friday night.

A complete story of the National Association will be presented Saturday morning by 13 officers and members of the executive committee.

The New England Advisory Board is sponsor of the convention. It hopes to bring about a closer understanding between National association members and the agents in the field.

The executive committee of the National association will meet Saturday and Sunday following the meeting.

DeMille Agency, Seattle,  
Advances Officers

C. R. DeMille has been elected president of the C. B. DeMille general agency, Seattle, succeeding the late William H. Marks, who died in April. Mr. DeMille, except for the period of his service in the army as a captain in the last war, has been with the firm in an executive capacity since 1932.

His brother, William J. DeMille, also an officer of the corporation since 1932, has been elected vice-president and secretary. The DeMille brothers' father, the late Charles B. DeMille, founded the general agency shortly after the turn of the century.

Arthur A. Foot, who has been with the general agency for 28 years as head of the accounting department, has been elected treasurer.

F.C.A.B. Changes Name

NEW YORK—The corporate title of Fire Companies Adjustment Bureau has been changed to General Adjustment Bureau, Inc. F.C.A.B. was organized in 1930, sponsored by stock fire companies to adjust their losses. Subsequently it absorbed Southern Adjustment Bureau, Pacific Coast Adjustment Bureau, Texas Adjustment Co. and General Adjustment Bureau, all company-owned adjusting organizations.

Forum Hears Fullenwider

Frank Fullenwider, deputy insurance commissioner in charge of enforcement activities, addressed the Fire Underwriters Forum of San Francisco on new insurance legislation. His talk was captioned, "You Will Hang Separately." George Moir, St. Paul F. & M., presided.

F.U.A.P. Courses Start June 11

Summer courses in office procedure and orientation, tariff rules and tariff rating conducted by the Fire Underwriters Assn. of the Pacific start June 11. These classes are to assist newcomers to the business and others employed by companies for a comparatively short time.

Lewis Va. and N. C. Special

E. K. Schultz & Co., Philadelphia general agency, has appointed J. R. Lewis special agent in Virginia and North Carolina.

He formerly was with the Virginia Insurance Rating Bureau for 10 years, and with Marsh & McLennan, and has had local agency experience. He went with Schultz & Co. in May.

May Have Tri-State Meet

The conventions of the Pennsylvania, Maryland and New Jersey agents' associations may be held at Atlantic City during the week of the annual convention there of National Assn. of insurance agents.

Detroit U. Course Is Popular

So popular has the general insurance course, taught from the buyer's point of view, been at the University of Detroit that 96 of the 112 students have expressed desire to take a more advanced course under C. M. Verbiest next year. The course provided full college credit and a number of company men and their agents assisted in teaching.

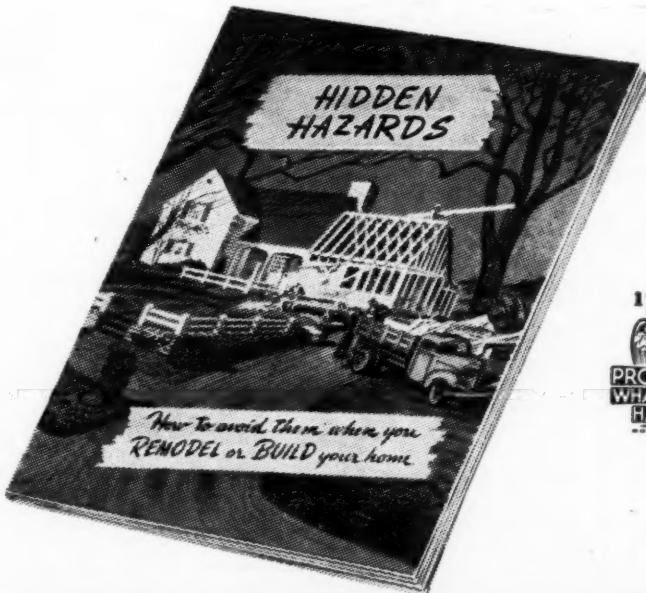
"A contributing factor in our fire death toll is our legacy of old construction."

President Truman, at the National Conference on Fire Prevention, May 6, 1947.

## We agree... MR. PRESIDENT

More than a year ago, Insurance Company of North America Companies published "Hidden Hazards"—a 64-page, illustrated book for distribution through North America Companies' Agents, to those planning to build or remodel their homes. A guide to the selection of fire-resistive building materials and correct construction methods, it has had a wide distribution and has won acclaim from civic leaders and fire prevention experts.

"Hidden Hazards" still is available to Agents of North America Companies—through North America Service Offices.



*The publication of "Hidden Hazards" is in keeping with North America's traditional policy of serving the public interest, doubly emphasized by the current effort to reduce fire losses by educating the people of America in the ways to avoid the staggering annual loss from fire.*



1792  
INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES, Philadelphia

INSURANCE COMPANY OF NORTH AMERICA  
INDEMNITY INSURANCE COMPANY OF NORTH AMERICA  
PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY  
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

## INVENTORY VALUE

June 19 ..... \$175,000

June 20 ..... \$250,000

When stocks increase SUDDENLY—  
Are your insureds protected AUTOMATICALLY?

Boost your income by offering manufacturers and merchants the "Kansas City's" Reporting Form insurance—the insurance which automatically provides additional insurance both for newly received materials and for suddenly increased value of present stock.

Now—when new fall merchandise is rolling in—is the time to sell the "Kansas City's" Reporting Form insurance.

Call on your "Kansas City" field man whenever he can be of service.

Martin T. Jones  
PRESIDENT

KANSAS CITY Fire and Marine  
INSURANCE COMPANY  
KANSAS CITY, MISSOURI

MARSH & MCLENNAN  
INCORPORATED

Insurance Brokers  
AND AVERAGE ADJUSTERS

Chicago	New York	San Francisco	Detroit
Washington	Pittsburgh	Minneapolis	Boston
Buffalo	Cleveland	Columbus	Indianapolis
Milwaukee	Duluth	St. Paul	St. Louis
Los Angeles	Phoenix	Seattle	Portland
Vancouver	Montreal	Havana	London

### Illinois Farm Agents to Meet at Peoria June 10

The Illinois Farm Insurance Agents Assn. will meet June 10 at Peoria for the annual convention. Headquarters will be at the Jefferson hotel.

The program includes five speakers, they being George H. Schirmer, on "Farm Liability Policy"; President George N. Bottorff, on "My 82 Years"; Forrest L. Boden, on "Farm Installation Notes"; and J. P. Fellows, on "Farm Insurance Underwriting", and Harold F. Gillaspy.

Officers will be elected in the afternoon. G. N. Bottorff of Augusta, is president, and his son, George E. Bottorff, Rushville, is vice-president.

### Insurance Talk Slated for Management Meeting June 12

I. M. Carpenter, manager insurance department of Ebasco Services, will speak on business dislocation caused by inflation of insurable values, and increased federal supervision of insurance at the annual conference of the American Management Assn. at New York, June 11-12. Mr. Carpenter also will take up present demands for additional social insurance.

The meeting will be devoted principally to business adjustment to industrial and social change, and will cover atomic energy and financing. New officers will be elected.

### Southern Michigan Public Relations Program Advances

Meetings have been held in Ann Arbor, Battle Creek and Kalamazoo of agents and company men as a part of the National Board public relations program, headed by Roland H. Lange, special agent Hartford Fire, chairman of the public relations committee for stock fire companies in southern Michigan. At Ann Arbor 25 agents were present with the local board acting as host. A. B. Paulsen, Continental, presided and Mr. Lange was speaker. At the Kalamazoo local board meeting 75 were present and Fred C. Walter, president of the board, presided. Speakers were R. N. Menzies, Great American, and Mr. Lange. More than 3,000 names of influential citizens in the area have been submitted for regular receipt of National Board educational material.

### North America Graduates 45 in Across-the-Board Class

North America has graduated the first across-the-board class in its school for agents. The graduation ceremony was held at the recreation center for employees.

President John A. Diemand presented diplomas to the 45 graduates, among whom there were 24 honor men.

Those who graduated had completed eight weeks training in the fire, marine and casualty courses.

The age range of the graduating agents was from 19 to 47 years, the average being about 26 years, and 36 were college trained. Of the 45, 30 had less than one year's experience in the agency business.

### Two New F.C.A.B. Offices

Fire Companies Adjustment Bureau has opened two offices in southern California.

A new branch has been established at Santa Monica in the Builders Exchange building with John D. Adair in charge. Mr. Adair has been with F.C.A.B. since 1941 at Los Angeles.

Frank R. Chalfont has been placed in charge at Palm Springs, to cover Riverside county west of Banning.

### Lindholm to Home in Ill.

E. Lindblom has been appointed special agent in Illinois by Home. He will work out of Chicago under Manager David E. Larson. For the past 5½ years he has been with the Illinois Inspection Bureau.

### Allow Collapse Cover in Va.

RICHMOND—The Virginia corporation commission has authorized Virginia insurers to write policies against collapse and subsidence. The ruling noted that no increase of rates is involved for this new class of insurance.

The ruling was made at the request of the Virginia Insurance Rating Bureau.

### New York Board Directors

President Ronald R. Martin has appointed as directors of the New York Board Chris D. Sheff, London Assurance; O. Tregaskis, Sun, and Charles Bellinger of W. L. Perrin & Son.

### Yeisley Becomes Broker

Ralph Yeisley, who has been chief engineer for Critchell-Miller of Chicago has resigned to become a broker. Mr. Yeisley will continue in the Critchell office. Before his connection with this agency he was for many years in the sprinklered risk department of the Chicago Board.

### Elected F.C.A.B. Directors

At the annual meeting of Fire Companies Adjustment Bureau, Chris D. Sheff, U. S. manager of London Assurance, and J. K. Hooker, vice-president of Automobile, were elected directors.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago  
June 2, 1947

	Par	Div.	Bid	Asked
Aetna-Casualty	3.00		83	85
Aetna Fire	1.80*		47 1/2	48 1/2
Aetna Life	1.60*		39 1/2	40 1/2
American Alliance	1.00*		18	19
American Auto	.80		28 1/2	29 1/2
American Casualty	.60		10 1/2	11 1/2
American (N. J.)	.70*		19	20
American Surety	2.50		54	55
Baltimore American	.30*		5 1/2	5 1/2
Boston	2.20		58	61
Camden Fire	1.00		20	22
Continental Casualty	2.00*		52	53
Fire Association	2.50		46 1/2	49
Firemen's (N. J.)	.50		12 1/2	13 1/2
Franklin Fire	1.00		19 1/2	20 1/2
Glens Falls	1.85*		45	47
Globe & Republic	.50		8	9
Great Amer. Fire	1.20*		27	28 1/2
Hanover Fire	1.20		24	25
Hartford Fire	2.50*		96	99
Home (N. Y.)	1.20		24 1/2	25 1/2
Ins. Co. of North Am.	3.00*		88	90
Maryland Casualty			10	11
Mass. Bonding	4.00		79	84
National Casualty	1.25*		27 1/2	29
National Fire	2.00		45 1/2	47
National Lib.	30*		5 1/2	6
National Un. Fire	5.00*		160	170
New Amsterdam Cas.	1.00		26	28
New Hampshire	1.00*		42 1/2	44
North River	1.00*		21 1/2	22 1/2
Ohio Casualty	.80		32	33
Phoenix, Conn.	2.00*		74	76
Preferred Accident			4 1/2	5 1/2
Prov. Wash.	1.40*		38	36
St. Paul F. & M.	2.00		64	66
Security, Conn.	1.40		27	28
Springfield F. & M.	4.75*		18	112
Standard Accident	1.45		29	30
Travelers	18.00		558	568
U. S. F. & G.	2.00*		41	42
U. S. Fire	2.00		49	51

\*Includes extras.



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 New York 7, New York

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 465 Bay St., Toronto, Ontario

Southwestern Dept.  
 912 Commerce St.  
 Dallas 2, Texas

Pacific Department  
 220 Bush St.  
 San Francisco 6, Calif.

Firemen's Insurance Company of Newark, N. J.  
Organized 1853

The Girard Fire & Marine Insurance Company  
Organized 1853

National-Ben Franklin Fire Insurance Company  
Organized 1866

The Concordia Fire Insurance Co. of Milwaukee  
Organized 1870

Milwaukee Mechanics' Insurance Company  
Organized 1853

Royal Plate Glass & General Ins. Co. of Canada  
Organized 1904

The Metropolitan Casualty Insurance Co. of N.Y.  
Organized 1874

Commercial Casualty Insurance Company  
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

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## Lumber Interests Plan Own Fire Company in Ark.

LITTLE ROCK—In a special bulletin to members, the Arkansas Assn. of Insurance Agents has called attention to a tentative proposal of the Arkansas Wood Products Assn., composed of woodworkers and lumber companies, to organize a stock fire and casualty company as a means of securing substantial insurance savings to members.

Accompanying the bulletin was a reproduction of a letter and questionnaire from Orso Cobb, Little Rock, executive secretary, Wood Products Assn. Mr. Cobb said that the association is turning its attention to the question of obtaining some relief for members from

excessive insurance rates.

"Insurance rates on almost all lines are very high in Arkansas," the questionnaire began. "We hope to work out a plan whereby members of the association who desire to participate can make substantial savings on their insurance. Several plans are considered, but the one most highly regarded as acceptable to our industry is roughly as follows:

### Plan Is Outlined

"1. Organization of our own stock fire and casualty company.

"2. Eliminate costs of local and general agents by direct underwriting for participating members.

"3. Issue participating policies which would combine the safety of a stock company with the added savings of a mutual company and thus pass on to individual concerns any special benefits incident to a favorable loss experience.

"4. Through adequate reinsurance agreements, protect the company against losses of unusual size."

In its closing paragraphs the questionnaire asked each member if "you would be willing to subscribe to an amount of stock in such company representing approximately 25% of your per annual insurance costs, which amount you should normally save during one year of the company's operations under the plan?"

## Oregon Agents Plans for Aug. 21-22 Take Shape

An outline of the annual convention of the Oregon Assn. of Insurance Agents at Eugene Aug. 21-22 was announced this week. Wednesday evening, Aug. 20, the executive committee will hold a dinner session.

Commissioner Thompson will open the Aug. 21 general session, speaking on "Agents' Qualification and Public Interest." A panel of quiz experts yet to be named will discuss "How to Analyze the Insurance Needs of Your Client." George W. Haerle of Chas. W. Sexton Co., Portland, chairman of the Oregon contact committee, will follow with an explanation of the purpose and function of the committee.

The Aug. 22 sessions will feature three panels, on fire coverages, liability and floater forms. An adjuster, yet to be selected, will speak on the "Agent's Part in Prompt Loss Settlement." "Forms and Their Usage" is another topic to be assigned to a speaker.

"The Association as a Stepping Stone to Leadership" will be the subject of Sprague H. Carter of Pendleton, state association president. There will be a luncheon meeting Aug. 22, with the Oregon Mutual Fire and Oregon Automobile as co-hosts. The afternoon will be given over to a closed business session at which new officers will be elected.

The Portland general agents will be hosts at a cocktail party, following which there will be the annual banquet and dance.

J. Don Smith of the Smith & Crakes agency, Eugene, is general chairman of arrangements.

## Halderman Retires from Bureau; Whittlesey Named

Ray E. Halderman, chief examiner of the Oregon Insurance Rating Bureau, is retiring after 30 years' service. He began with the bureau as an examiner and became chief examiner in 1926. For the time being he will remain with the bureau in an advisory capacity.

His successor is F. J. Whittlesey, who leaves his position as surveyor to return to the examining department. He took a position as examiner for the bureau in 1913 and except for a brief period in the other world war when he was with the shipyards, and also a short interval as a special agent for a company, he has remained with the bureau. To assist in maintaining normal functioning of the examining department, Albert L. Arting is transferring temporarily from his position as surveyor to examiner.

Nathan Lakefish has resigned as assistant chief examiner of the bureau to become automobile underwriter for First Securities Co. of Portland, Ore. He began his career with the bureau as an automobile insurance examiner in 1920 and has been continuously with it.

## Windstorm and Extended Cover Rate Cut in N. C.

RALEIGH—A rate filing by the North Carolina Fire Insurance Rating Bureau cutting windstorm and extended coverage rates 20%, or an estimated \$255,000 a year, has been approved by Commissioner Hodges. The order, which applies to all the state except the coastal areas, is retroactive to May 15.

## Conroy Heads N. Y. Mutual Agents. Plan on Secretary

Joseph Conroy of the New York City agency of Zaun, Conroy & Mulrooney was elected president of the Mutual Agents Assn. of the State of New York at the annual meeting at Syracuse last week. George Wilson, Fairport, was elected first vice-president, Norris Dann, Endicott, second vice-president, and C. G. Hunter, Moravia, secretary.

The association has grown to the point where a full-time secretary is needed. The directors will meet in Albany June 16 to make plans for this expansion.

In addition to the previously announced speakers, Supt. Dineen paid a surprise visit to the meeting.

## Harrington to Washington?

ATLANTIC CITY—Strong rumors were circulating during the convention of National Assn. of Insurance Commissioners here that C. F. J. Harrington, who has just been appointed for a fourth term as Massachusetts commissioner, is slated for a federal position at Washington. According to the reports he is slated for a spot in the Department of Labor, Federal Trade Commission or Department of Justice. "There is nothing to it so far as I know," was Mr. Harrington's only comment. He has been a frequent visitor to Washington, it is reported.

## Iago to Speak in N. Y.

John J. Iago, vice-president of Fidelity & Deposit, will discuss the residence burglary and outside theft coverage and the personal property floater before the Burglary & Glass Insurance Club of New York in the committee rooms of the National Bureau of Casualty & Surety Underwriters June 19.

## Start Golden Gate Course

SAN FRANCISCO—Golden Gate College school of insurance started its summer classes for agents and brokers desiring to pass examinations for licenses in California June 2. The course has been approved by the insurance department.

Instructors, many of them veterans in the college's school of insurance, are Fred A. Banducci, U.S.F.&G.; R. E. Cathcart, California-Commercial Union group; William V. Hall, North America; George E. Jansen, broker; Charles Linford, Johnson & Higgins; John H. Martin, Standard Forms Bureau, educational director of F.U.A.P.; E. H. McCaughan, Fireman's Fund; Harry Rowland, Aero Insurance Underwriters; Walter L. Molina, Hartford Steam Boiler, and James D. Simpson, Eagle Indemnity.

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## Selection by Agent Key to Automobile Success in Future

A small minority of agents account for most of the difficulty with automobile physical damage experience, Manley Stockton, Atlanta, assistant manager Hartford Fire, told the South Carolina Assn. of Insurance Agents at Myrtle Beach last week. He said he is convinced that 90% of the agencies of any leading company show a profit in automobile fire lines four years out of five, and the remaining 10% cause the trouble.

To put the future of automobile insurance on sound ground, Mr. Stockton had three major recommendations: 1, underwriting in the agency; 2, recognition of competition of automobile dealers acting as agents; and, 3, developing a good finance facility.

### Mass Underwriting Futile

Citing specific examples of how risks which look alike on daily reports can be entirely different in fact, Mr. Stockton said that horizontal underwriting must go for the good of the business and this can be achieved only if the individual agent will select his risks carefully and give his companies the full facts about them. For example, he said he is concerned that many companies have refused to write long haul truck business, not because they actually lost money on it, but because they were afraid of losing it, and this state of mind can be overcome only by the agent building up his company's confidence in his underwriting, selection and information.

Evasive methods — changing companies regularly, forcing business on carriers by pressure of various types, etc.—will not correct the present unsatisfactory situation, Mr. Stockton said, but conscientious underwriting at the source will.

### Auto Dealer Competition

At the moment, the automobile dealer has the advantage of a seller's market, and he is going after the best risks. However, this market will not last forever, and Mr. Stockton pointed out that it is wrong to assume that a dealer has the first chance to insure a new car. The agent who insures the old car can protect this business by keeping in touch with every client and selling him before he buys the new car. A glance at any automobile trade paper, Mr. Stockton said, will convince anyone that automobile dealers are afraid of bank-agency competition. They are being urged to hire "closers" to find and sign up prospects and to adopt other high pressure methods to obtain insurance.

It is useless to approach customers seriously for insurance on new automobiles until a good finance outlet is developed. This is not difficult, Mr. Stockton said, as banks are unquestionably interested in expanding consumer credit. Here, again, any bank trade magazine will confirm this.

### Give Program for Florida Agents Annual, June 10-12

The Florida Assn. of Insurance Agents has gotten together an interesting program for its annual meeting at Sorenson hotel, St. Petersburg, June 10-12. President Flamen B. Adae of Miami Beach will give the report of the administration. J. Edwin Larson, state insurance commissioner, will give a talk the first session. George E. Edmondson of Tampa, most loyal grand gander of the Blue Goose, will represent the field men in an address. Oscar H. West, of the Washington office, is taking as his subject "Whither Are We Wending?"

On the second morning Secretary A. C. Eifler will give his report. State National Director L. P. McCord of Jacksonville, will report. Frank D.

Moor of Tallahassee will speak on "Rates and Forms." O. Mitchell Stallings of Tampa will give a report on the workers' compensation and casualty committee. J. F. McMillan of Cocoa will report for the accident and fire prevention committee.

There will be a panel discussion the second afternoon on personal property floater and personal effects floater policies. The leader is Don Tullis of Jacksonville. Another panel discussion will be on comprehensive, general and personal liability and automobile, including fleets. Don Bolton of Jacksonville will be the discussion leader. On the third

morning John F. Neville, assistant counsel of the National association, will give a talk. Manuel M. Gorman, special assistant attorney general of the United States, will speak on public law 15.

Commissioner Larson will swear in the new officers.

### Elliott Va. State Agent

Richard B. Elliott, special agent of the Aetna Fire group in Virginia, has been promoted to state agent. He will be associated with State Agent G. Gordon Long and Special Agent E. R. Lightfoot, with headquarters in Rich-

mond. Mr. Elliott joined Aetna as home office staff adjuster in 1938. Previously he was with Fire Companies Adjustment Bureau and then was in the field. While serving as special agent for Aetna in Arkansas in 1942 he entered the navy and served in the Pacific theater.

### O.K. Repair, Replacement

Governor Driscoll of New Jersey has signed the bill authorizing fire insurers to write the repair and replacement endorsement in that state. Heretofore the fire companies have not been permitted to write the coverage.

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## NEWS OF FIELD MEN

### Wis. Field Forces Gather June 18

H. L. Mauritson of Milwaukee, state agent of Fireman's Fund, is taking reservations for hotel accommodations at Nippersink Lodge, near Genoa City, for the annual summer meeting of the Wisconsin field men's organizations June 18-20.

Thomas A. Hites, Milwaukee, state agent, Boston, most loyal gander, will preside at the annual meeting of Wisconsin Blue Goose the evening of June 18, after which there will be an informal mixer.

Thursday morning the Wisconsin Fire Underwriters Assn. will hold its annual meeting with W. W. Ferguson, Milwaukee, Queen, the president in the chair. At the same time, the bureau field club will go into session under the joint chairmanship of W. L. Jones, Milwaukee, Dubuque F. & M., president Wisconsin Insurance Club, and W. L. Engberg, Rockford, Ill., Firemen's, president Illinois Field Club.

A joint meeting of all groups will be

held at 11 a. m., when C. W. Ohlsen, Sun, president Western Underwriters Assn., will be guest speaker. Friday morning the several groups again will hold separate sessions to conduct their annual business and elect officers.

The sports program and golf tournament will begin Thursday afternoon. At the dinner-dance Thursday evening prizes in the men's and women's events will be awarded.

### Indiana Field Men Meet at Wawasee June 10-12

Commissioner Pearson of Indiana will be the principal speaker at the annual meeting of the Indiana Fire Underwriters Assn. June 10-12 at Lake Wawasee. He will talk on "Laws Pertaining to Insurance." The program will start Tuesday afternoon with a softball game, and bridge. There will be other games in the evening. The first business session will be Wednesday morning. Following the address of President Lynn D. Swisher, W. P. Ray & Co., there will be the reports of committees and election of

officers. In the afternoon there will be golf, horseshoes and a hole-in-one contest, followed by the annual dinner in the evening with award of prizes. Commissioner Pearson will speak at the Thursday morning session.

The general committee chairman is P. V. Smith, National Fire.

### Four Minn. Field Groups Get Together June 18-19

MINNEAPOLIS — Four Minnesota field men's organizations will take part in a two-day outing June 18-19 at Pine Beach hotel, near Brainerd, Minn. Participating will be the Minnesota Fire Underwriters Assn., Minnesota State Fire Prevention Assn.; Northwest Bureau Field Club and Blue Goose. In charge of general arrangements is L. E. Zell, Hanover, chairman.

The outing will get under way with indoor and outdoor contests the morning of June 18 and that afternoon annual meetings of the underwriters' field club and preventionists will be held. All the second day will be devoted to contests. The Blue Goose banquet will conclude the outing with presentation of prizes by John E. Jackson, state agent for Home.

### Tenn. Field Men's Program June 25-26 Announced

NASHVILLE — The first postwar, full-scale meeting of the Tennessee Fire Underwriters Assn., Tennessee Fire Prevention Assn. and Blue Goose will be held at Lookout Mountain hotel, Chattanooga, June 25-26.

Speakers will include Commissioner McCormick, J. H. Hines, Crum & Forster, Atlanta, and Robert Bruce, Fire Companies Adjustment Bureau, Atlanta. Most Loyal Grand Gander Edmondson will be honor guest of Tennessee Blue Goose and will address the banquet Monday evening.

### Padgett and Boyle Named by Virginia F. & M.

Samuel F. Padgett, III, has been appointed special agent in northern Virginia by Virginia F. & M. He is associated with Marshall C. Speight, executive state agent, and will maintain headquarters at Arlington.

David J. Boyle becomes special agent in upstate New York with headquarters at Syracuse.

Both men have spent their entire business careers with the company.

### Call for Ohio Conference

The Fire Prevention Assn. of Ohio has called to the governor's attention broad objectives contained in the action program agreed upon at the President's conference on fire prevention held in Washington. At a luncheon meeting the association adopted a resolution urging the governor to appoint a state-wide fire-safety committee and to call a governor's conference on fire prevention for the purpose of setting up a coordinated fire safety program in Ohio. The association offered the services of its members on any committee that should be appointed.

### Hausmann Michigan Special

Potomac has appointed H. A. Hausmann as Michigan special agent, to operate from the Michigan branch office of General Accident and Potomac in Detroit. Hal Irwin is branch manager there for both companies.

Mr. Hausmann attended University of Wisconsin 1928-1932, specializing in insurance courses, then after a year in the army flight training school at Randolph field, Tex., he entered the insurance business as a map clerk and assistant examiner in the western department of American. In 1939, after having been special agent in Indiana and Minnesota, he went with Hanover and traveled Michigan until entering the army air

forces in 1942. He was discharged in 1946 with the rank of major, and joined Employers Fire in Michigan as special agent.

### Terry Texas Special Agent

J. A. Terry has been appointed special agent to assist State Agent Nowlin in the south Texas field by National Fire. He is a native of Houston and attended Texas A. & M., leaving to serve in the army in Europe and becoming a pilot first lieutenant. He has had general agency experience and recently completed training in National's head office.

### Conn. Committees Named

President E. F. Jordan of the Connecticut Field Club has appointed committees for the coming year. On the executive committee are Clifton B. Austin, Aetna Fire, chairman; Louis K. Ives, Springfield F. & M.; Donald F. Dick, Caledonian; Henry J. Steeck, Home, and A. Morton Dexter, North America.

### Wiggins Enters La. Field

Springfield group has named Parker A. Wiggins special agent in Louisiana.

Mr. Wiggins is a native of Louisiana and graduated from Northwestern Louisiana College in 1941. He entered the army and was discharged as a captain. He then entered a local agency in New Orleans.

### Hold Alamo Swim June 16

Alamo Blue Goose, San Antonio, heard a report on the statewide meeting from Chas. F. Nichols, most loyal gander. Guest was O. Roy Carlson, assistant secretary American of Newark. The annual picnic of the pond was held in Seguin. The annual swim for new goslings will be held June 16.

### Baldwin with Loos Agency

David C. Baldwin is resigning as state agent of Royal-Liverpool in Indiana to become a partner in the Loos agency of Fort Wayne. He is a graduate of Armour Institute, 1930. His first connection was with the Iowa Rating Bureau. In 1930 he became special

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agent of Royal-Liverpool for the middle west at Chicago, and in 1945 went to Indiana as state agent.

### Brown Now State Agent

It is now State Agent Eugene W. Brown of North British & Mercantile in Louisiana, his title having been changed from special agent. He has headquarters in New Orleans.

### Aschim Iowa Special Agent

Robert L. Aschim has been appointed special agent of National Fire in Iowa. He started his business career with the Iowa Insurance Service Bureau and remained until he entered service in 1941. He returned to the bureau after his discharge in 1945.

He will travel the entire state of Iowa, with headquarters at Des Moines, and will be associated with State Agents Hankinson, Hall and Ingram.

## CHICAGO

### Victor Co. Agency Admitted to Chicago Board

The Charles U. Victor Co. agency of Chicago, which has been operated in 330 South Wells street, has been admitted to the Chicago Board as a metropolitan supervising member with British America as the designating company, and



R. M. Tauman      W. H. Sampson

has moved into A-1517 Insurance Exchange. The new quarters are much larger and better arranged. The agency was started in 1920.

The founder died several years ago. His widow, Mrs. I. V. Victor, is a member of the agency firm, and a son-in-law, R. M. Tauman, now is in active charge. Mr. Tauman went with the agency in October, 1944, after separation from the army air force, in which he was a second lieutenant and navigator. He attended Northwestern University, majoring in accounting.

W. H. Sampson is the office manager and fire underwriter. He formerly for 17 years was with Fireman's Fund in the western department at Chicago, for four years being in the improved risk department as an examiner, and for seven years being manager of the general coverage department.

### BOWLING LEAGUE OFFICERS

An item last week which sought to show the newly elected officers of the Insurance Bowling League of Chicago presented instead the officers who have served for the last year. The new staff is: President, Henry Wiemerslage, Travelers; vice-president, William Birk, broker with Fred S. James & Co.; secretary-treasurer, Fred W. Soderberg, Marsh & McLennan.

### FERGASON PERSONNEL MOVES

Ferguson Personnel, placement service catering exclusively to the insurance industry in Chicago, has moved into larger quarters in room 400 at 330 South Wells street. Guy Ferguson, head of the office, opened it six years ago. It has made great strides, and now offers a variety of services in addition to placement, including typing service for policy writing, dictaphone transcription, typing of claim reports, etc.; printing of endorsement forms by multilith on short

notice, and preparation and mailing of direct mail letters. A. J. Davidson is manager of the personnel department, under Mr. Ferguson's direction.

### Shapiro Joins Hitke & Co. as Production Manager

William B. Shapiro, manager of the premium and auto finance departments of Industrial National Bank of Chicago, has resigned to go with the Kurt Hitke & Co., agency of that city as production manager. He is widely known among agents and brokers of the area due to many contacts with them in his business, and especially because Industrial National in 1934 began financing auto purchases on a plan which recognized the insurance producer, left him in control of the coverage and permitted him to have the commission. Industrial National is credited with having been one of the first banks in the United

States to adopt such a policy, out of which has grown the present bank-and-agent plan. Mr. Shapiro had much to do with shaping the plan in Industrial National.

He went with the bank in 1927 and that post has been his only business connection since graduation from Crane Junior College of Chicago.

### ADJUSTER SHAW MOVES

Lester J. Shaw, independent adjuster of Chicago, has moved from A-1103 Insurance Exchange to A-722, where he has quarters about four times as large. There has been no change in the telephone number. Mr. Shaw has been an independent adjuster for the companies since 1930. Previously he was with Atlas as loss superintendent, Springfield as assistant loss superintendent, and Great Lakes as general adjuster. Emmett J. Hannon has been associated with Mr. Shaw as staff adjuster for two years. Previously he was claim manager for Universal in Chicago.

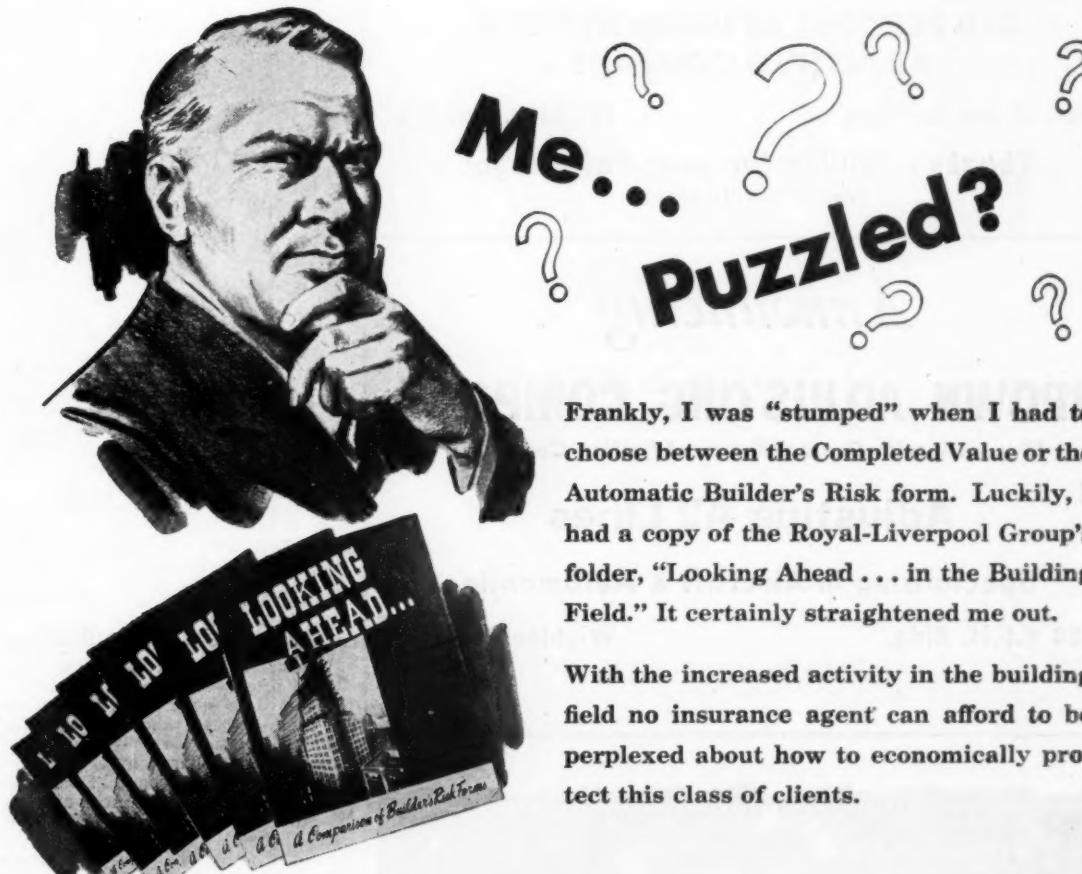
### WESTERN BUREAU MEETING

The meeting of the Western Insurance Bureau at French Lick, Ind., next Tuesday and Wednesday will be the first one held out of Chicago for some years. The last out-of-town meeting was held

at Sky Top, Pa. There will be a number of camp followers at this meeting, including representatives of Underwriters Adjusting, Western Adjustment and Cook County Loss Adjustment Bureau, Western Actuarial Bureau, Underwriters Laboratories, Uniform Printing & Supply and others. Firemen's will have an official delegation from its home office, headed by President John R. Cooney and Vice-president W. B. Reardon. H. A. Clark, western manager of Firemen's, has been president of the reorganized bureau since 1930 and also had 2½ terms with the bureau previous to that time. He and O. B. Brown, assistant manager of the Loyalty group, attended the National Board meeting in New York last week. The bureau golfers are anticipating some excellent play on the French Lick course.

### I.A.C. Plans Annual Rally Sept. 15-16 at Cape Cod

The Insurance Advertising Conference has scheduled its annual meeting for Sept. 15-16 at the Lighthouse Inn, Cape Cod, Mass. The convention will get off to an early start the evening of Sept. 14, with the president's reception.



Request your copy of this helpful folder.

Frankly, I was "stumped" when I had to choose between the Completed Value or the Automatic Builder's Risk form. Luckily, I had a copy of the Royal-Liverpool Group's folder, "Looking Ahead . . . in the Building Field." It certainly straightened me out.

With the increased activity in the building field no insurance agent can afford to be perplexed about how to economically protect this class of clients.

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# MARINE

## McGEE & CO. MAKES SOME SHIFTS IN PERSONNEL

Charles Brockmiller, vice-president and director of Wm. H. McGee & Co., henceforward will make the home office in New York his permanent headquarters. He formerly was manager of the Pacific Coast department at San Francisco.

His duties in San Francisco as manager are being assumed by Charles H. LaBare, formerly assistant manager there. George A. Knoll, Jr., formerly an underwriter in San Francisco, has been promoted to assistant manager and Harry H. Pinkham becomes production manager.

Emil Kratovil, who was called from McGee & Co. by the war shipping administration early in 1942 to become chief cargo underwriter for the insur-

ance division and who returned last year after also serving in the navy, recently was made assistant to the president of McGee & Co.

### Lusk Named Superintendent

George L. Lusk, Jr., has been transferred by the Phoenix-Connecticut group from special agent in several eastern states traveling out of the Philadelphia inland marine service office, to the home office as superintendent of the eastern division for the inland marine department.

He is a graduate of Trinity College and Hartford College of Insurance, who went with the group in 1937 in the fire underwriting department, and later was transferred to the inland marine department, where he worked for several years.

### III. Approves Floor Plan

The Illinois insurance department has approved the inland marine floor plan

form, which was brought out by the Inland Marine Underwriters Assn. about two months ago.

### Canadian Fire Group's General Manager Dies

WINNIPEG — James A. Dowler, general manager of the Canadian Fire group, died in Winnipeg after a lengthy illness. Mr. Dowler was an outstanding figure in the insurance field in western Canada. He started with Canadian Fire in 1906, became secretary of Canadian Indemnity in 1912, secretary of Canadian Fire in 1920 and general manager of the group in 1946. He was president of the W.C.I.U.A. for a two-year term and was at one time or other identified with almost every activity in the insurance business in western Canada.

### Parsons Now Local Agent

The Frame Insurance Agency, Waukesha, Wis., operated by Frank W. Koenen, has been sold to A. R. Morton, who will continue his own agency there, and John G. Parsons, eastern Wisconsin state agent for North British & Mercantile and before service in the navy an engineer with the Wisconsin Fire Insurance Rating Bureau. The Frame agency will be continued with Mr. Parsons as manager.

### Weed Fort Worth Head

Clyde P. Weed of the Harrison, Kennedy & Co. local agency, was elected president of the Fort Worth Insurance Underwriters Assn. at the annual election and party. Worley Jones, Jones & Son, was elected vice-president and Drex G. Foreman, secretary Texas Assn. of Insurance Agents, was re-elected secretary of the Fort Worth board for the 25th year.

### Taft Bill Hearings Set

WASHINGTON — Insurance interests will get an inning June 11 on the Taft bill for a national health program, when John Mannix, Insurance Economics Society, Chicago, is scheduled to testify. Three other witnesses will be announced.

The hearing schedule calls for appearances June 13 of the Fraternal Order of Eagles, Watson Miller, federal security administrator, and representatives of the American Welfare Assn. and American Public Health Assn.

Three days of hearings on the new Wagner - Murray - Dingell compulsory health insurance bill are scheduled beginning June 18. Senator Murray, Montana, co-sponsor of the bill, will lead off, followed by representatives of the CIO, AFL and other labor groups.

### Rourke Gets "Blue Ribbon"

Robert B. Rourke, of the George W. Rourke general agency, Seattle, was presented with the "blue ribbon" award for the highest scholastic standing in the 94th session of the Aetna Casualty sales course. Three men tied for the "gold ribbon," given to the student voted as showing the most aptitude in insurance work. These were: Fred H. Vogel, Fred H. Vogel agency, Albany; Oren L. Fouts, Bailey Investment Co., Huntington, Ind., and Ronald C. Jensen, Richard A. Mills Co., San Diego.

### Change New York Manual

A revision in the New York manual pages outlining the handling of workmen's compensation cover for private residences, estates and farms, has been announced by the Compensation Insurance Rating Board. Permission to include compensation coverage on the comprehensive federal liability policy was granted by the state recently following the practice of other states that permitted this procedure about a year ago. This additional coverage, available for one or three years can be endorsed on the policy. A copy of the endorsement must be filed with the board.

### Talks on Residence Theft

Curtis Beyersdorff of the Anthony, Baker & Burns agency spoke on residence theft insurance at a luncheon of the Spokane Insurance Assn. He said Spokane had the highest delinquency rate per capita of any city in the state of Washington, and referred to the need for adequate protection.

### Aston to Oakland Agency

T. G. Aston, for several years in charge of the casualty department of Central Surety in its Pacific Coast headquarters, has resigned to enter the local agency business in Oakland, Cal., with the Lousalot Co. Mr. Aston, whose father was also in the business, has had more than 20 years' experience in casualty and surety on the coast.

Moses A. Craig, who has just retired as vice-president of the Globe Indemnity in charge of bonding and bond manager of Eagle and Royal, was honored at a luncheon of the executive committee of the Surety Assn. of America.

He was presented a radio-record combination and informal oral tributes.

The Massachusetts Assn. of Insurance Women, meeting at Pittsfield, Mass., elected as president Rosamond Payne, Springfield; vice-president, Katherine O'Brien, Saxonville; secretary, Alma Ayre, Fall River; treasurer, Marguerite G. Cronin, Boston.

## WANT ADS

Qualified General Agency located in Los Angeles, desires General Agency connection in Southern California with Non-Board Fire Insurance Company. OUR QUALIFICATIONS — 15 Years Field and Home Office Experience. Address L-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Male Payroll Auditor for North Texas Territory. Car furnished if desired. State age, experience, qualifications and salary desired. Write P.O. 1808, Fort Worth, Texas. All replies held confidential.

### WANTED

Experienced insurance salesman in fire or casualty lines for travel in southern Wisconsin. Salary and travel expenses paid. Address M-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Ohio lawyer, with twenty years experience handling multiple casualty claims, desires connection representing casualty company in medium sized Ohio city, preferably Canton, with a view to building independent adjusting business. M-17, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Young man in loss department as first assistant with large fire insurance company. State age, experience and starting salary expected. Excellent opportunity for advancement. Address M-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### LOSS MAN WANTED

An experienced loss man capable of supervising detail of department is wanted by large stock fire company in Chicago. Excellent opportunity for qualified man. Give age, education and experience. Our employees know of this advertisement. Replies confidential. Address M-15, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### BOND UNDERWRITER WANTED

For bond department of local agency. Write, stating experience, salary expected, age, education, etc. Address M-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Quitting Business

### CENTRAL KANSAS ADJUSTING COMPANY

505 Wheeler-Kelly-Hagny Bldg. Wichita, Kansas

### OLD RECORDS AT UNDERWRITER'S ADJUSTING COMPANY

Petroleum Building

Wichita, Kansas

Thanks a Million for your Patronage!  
Wm. H. (Bill) Moore

## Announcing

### BROWN ADJUSTING COMPANY

(Formerly with Central Kansas Adjusting Company)

### Adjusting All Lines

Specializing in Aircraft & Automobile

408 K.F.H. Bldg.

Wichita, Kansas

Harold F. "Brownie" Brown

PACKAGED PLANS

PACKAGED PREMIUMS

PACKAGED PROFITS

D. E. Ball, President

### THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY

Columbus 16, Ohio

## Committee Meetings Are First Work

(CONTINUED FROM PAGE 4)

ment to the federal act. The federal trade commission can't fight 48 states, he declared. He cautioned the commissioners against trying to move too fast. The rate laws reasonably administered will take care of 99% of the trouble, he argued. The legislator doesn't want to put a \$5,000 penalty on an unknown abuse, especially when what may be regarded as a sin in one state in the eyes of a commissioner may be regarded as a virtue in another state. Also, he contended, it is easier to enforce a small penalty than a large one.

There was considerable discussion of section 4(b) of the fair trade practices bill, this being the one that says that the enumeration of unfair practices shall not limit the power of the commissioner as provided in section 9. This was characterized by E. Wallingford of L.I.A. as the "cracks and crevices" clause. Dineen said New York had conceded that the industry was correct in opposing this clause, but Harrington expressed indignation that its deletion had been advocated in Massachusetts. Harrington said that it is necessary for the states to occupy the whole field.

## OPENING SESSION

At the plenary session, the roll call indicated that 41 states and Ontario, Manitoba and Canada were represented. Commissioner Carey of New Jersey gave the welcoming talk in which he expressed the hope that N.A.I.C. wouldn't wait so long before coming to New Jersey the next time. This was the first time in its 78 years the association had gathered in the state. Seth Thompson of Oregon responded.

Dineen gave his presidential address, which consisted exclusively of an appeal to the states to cooperate in every way to make successful regulation of fire and casualty rates at the state level.

Carroll Shanks, president of Prudential, as chairman of the host committee, made a gracious talk and he was enthusiastically applauded.

The committee consolidation proposal of Commissioner Harrington of Massachusetts was put over for action at the December meeting, when McCormack of Tennessee offered objections to certain features at the plenary session. Harrington proposed to do away with these committees as independent entities: fraternal, social security, taxation, unauthorized insurance and workers' compensation, and to transfer their assignments elsewhere. At the same time, he recommended converting the rates and rating organization committee into a standing committee and to change the title of the laws and legislation committee to state and federal laws and legislation committee.

McCormack objected especially to abolishing the fraternal committee, saying that fraternals constitute a separate branch of the business.

### Blanks Committee Does Little

The blanks committee meeting that afternoon turned out to be something of a dud, since copies of the printed report had not arrived. There was some chat about the proposed combination blank for fire and casualty companies. J. F. Collins of New York said it would be possible to force such a combination, but he expressed the belief it would be better to wait until the matter of uniform classification of accounts had come to a focus, so that a thorough job of overhauling could be done and that in the meantime there merely be an extension of the supplemental exhibits for companies doing an omnibus business. C. G. Vanderfeen, National Surety, chairman of an industry committee said he hoped to be able to submit a proposal for a combination blank before too long.

The meeting of the taxation committee proved to be something unusual,

but indecisive. Unfortunately, a recording was not made of it. R. W. Garff, Utah deputy, presided in the absence of Commissioner Carlson of that state. There was discussion of whether the premium tax should be assessed on the premium of mutual companies before or after payment of dividends to policyholders, and there was much confusion in the debate, as it was never certain whether life or fire and casualty operations were under review. Mr. Garff opined that the rate of premium tax should be uniform among the states and suggested that the differences that exist might constitute discrimination. Oklahoma, with its 4% tax, came in for much unfavorable comment, the attack being leveled with much joshing at R. P. Biggers, president Republic Life of Oklahoma City, in the absence of Commissioner Dickey. B. M. Anderson of Connecticut General said the situation could be corrected if the insurers would have courage to debit their policy dividends in states with the Oklahoma tax. Felix Hebert, for the Factory Mutuals, was the main champion of the idea of exempting dividends from tax. McCormack of Tennessee said he taxes all premiums on a gross basis, not exempting dividends to policyholders or membership fees.

Director Stone of Nebraska got a big hand when he said he questions whether life insurance premiums should be taxed at all, since life insurance is a form of saving and it is improper to levy a tax on savings.

The valuation of securities committee went through the formalities of ratifying the formula for 1947 valuations, the principal change being to stiffen the formula for amortization of bonds by reducing the interest yield factor from 2.10 to 1.80%.

That evening all hands enjoyed a shore dinner.

### Public Makes Auto Rates Lees Tells Buyers

ST. LOUIS—The public makes the insurance rates, Harry Lees, vice-president American Automobile, declared in a talk on "Taking the Mystery Out of Rate Making" at a luncheon meeting of the St. Louis Insured Members' Conference of the Associated Industries of Missouri. Company actuaries and underwriters assemble and interpret the loss experience data, but the public is responsible for that experience, he pointed out. So if a community has too many auto accidents and its jurors are inclined to return exaggerated verdicts in favor of plaintiffs, then corresponding insurance rates to take care of that

situation may be expected to be imposed.

He was asked why companies are not writing automobile liability coverage for periods in excess of a year, and said after the last war all automobile carriers lost a lot of money and it was felt the overall situation hadn't reached a normalcy that would justify writing policies beyond one year. Fire and theft coverage for greater periods, however, now is available for auto owners.

### Allyn, McKenzie Zone Chiefs

Allyn of Connecticut was elected chairman of the Zone 1 commissioners unit at the meeting at Atlantic City Saturday afternoon. He succeeds Gough of New Jersey. Knowlton of New Hampshire was selected as the member of the N.A.I.C. executive committee for Zone 1.

McKenzie of Arkansas was elected chairman of Zone 3, replacing Butler of Texas, and Kavanaugh of Colorado was elected representative on the executive committee.

Due to the high prices being charged by the resorts usually patronized, the Dakotas Blue Goose has decided to forego the usual midsummer meeting this year. This includes the two states, North and South Dakota.

## How A COMPANY HELPS ITS AGENTS — THROUGH THE NATIONAL BOARD



NATIONAL BOARD BUILDING

85 JOHN ST., NEW YORK

Memberships maintained by your companies in the National Board of Fire Underwriters help you as an agent through services furnished to the public and the agent. The public is benefited through the Board's work in arson, fire prevention, legislation, engineering and standards of construction. The agent is helped by the Board's radio programs, movies, national advertising, posters, text books, booklets and inspection blanks. These devices emphasize safety from fire and the benefits of *insurance* and the agent who sells it.



Ohio Farmers Companies  
OHIO FARMERS INSURANCE COMPANY  
CHARTERED 1848  
OHIO FARMERS INDEMNITY CO.

LeRoy, Ohio



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

## EDITORIAL COMMENT

### Good Public Relations Opportunity

Concerning constructive public relations work, would there not be a great opportunity just now for newspaper publicity regarding losses? There are a half dozen dramatic stories that could be written that would have a salutary effect. The people at large are not acquainted with the insurance side of recent catastrophes, such as the Texas City oil explosion and fire, the destructive wind losses in Texas, Oklahoma, Arkansas and other states in that vicinity. Then people are not cognizant of what the companies have lost from grain fires. These elevator losses have been very destructive. There is an opportunity for an engrossing story on the unprecedented wind losses incurred by farm writing companies. Nothing has been said about the April 5 storm that swept over the country and caused thousands and thousands of losses. We never heard of the 35,000 losses sustained by one company writing farm business or 20,000 in another case.

There are sources of great publicity material in graphic episodes. Newspapers would publish material of this kind and would be glad to get it. The difficulty is that we have no one who is responsible for publicizing these stories.

THE NATIONAL UNDERWRITER has contended for many years that the fire insurance industry needs a newspaper man of large experience who is alert, who has the real sense of news, who can measure news values, who never offers

anything to the papers unless it is newsworthy, who can take advantage of these various happenings and would present the insurance side which would be just as readable as what has been published in the way of physical loss, fatalities, injuries, etc. There should be someone at headquarters who could sense the possibilities of an insurance news story in any event occurring throughout the country. People should know what a prominent part insurance takes in such occasions. The public should be informed of the dramatic manner in which companies seek to obtain information and the way they adjust these losses.

The Equitable Life of New York got considerable notice in papers in the Texas City disaster by having a home office representative at hand who paid death claims before any proof was filed, when a holder was participant in the group policy carried by the oil company on its employees. The insurance representative simply desired to ascertain whether the deceased held a certificate in the group policy and that he was dead. People were greatly interested in this.

Arrangements should be made by the National Board or some other national fire insurance organization to organize a publicity department and man it with someone of superior ability and experience who could take immediate advantage of these happenings and bring out the insurance angles.

### How to Reduce Volume of New Business

There has never been a condition in the fire and casualty field that matches that of the present. Almost every company is endeavoring to reduce the amount of new business offered. Hundreds of opportunities are offered for companies to lodge in successful agencies. However, they have more than they desire on their books and hence pass by these tempting offers. Naturally there are thousands of risks floating around seeking lodgement that

are not considered acceptable. Many companies are using the present time to clean house, as they put it. In other words, they are getting rid of undesirable risks and high loss ratio agencies and brokers. They are cutting down excess commission contracts and accommodation lines. No sales strategy is needed these days to get business. In its place there is a new strategy and that is how to keep even good business within safe bounds.

### Beware of Initialed Letters

The other day we got a statistical inquiry form returned from one of the very largest insurance companies in the land, initialed by eight of the executives. Our freshman statistician discovered that it was the most completely garbled bunch of figures of the season. He re-

ferred it to our sophomore actuary who shook his head but said it must be O.K. with so many initials, but he passed it on to our decrepit mathematician who is beyond being awed by initials, and he confirmed the opinion of the freshman that the wise men had muffed it.

This incident we reported to our old reference point, the cynical actuary, and he said he had learned the lesson many years ago. Whenever he gets anything with a lot of initials on it he gets very suspicious and often finds a bug in it. He puts much more store in a com-

munication from just one person without a lot of initialed embroidery.

Perhaps we could go on from here and make an editorial out of this, but the one thing we can say positively is to beware of a large accumulation of initialed letters.

## PERSONAL SIDE OF THE BUSINESS

Miss **Mildred O'Dea**, secretary to Deputy Superintendent Thomas C. Morrill of the New York department, will be married to Edmond P. Ryan, investigator for the board of examiners of the New York City board of education, June 28 at St. Raphael's Church, Long Island City, N. Y. Miss O'Dea has been in the department seven years and was for three years secretary to Shelby C. Davis, Mr. Morrill's predecessor.

**Linden F. Braud**, New Orleans local agent and president of the Philatelic Society there, was principal speaker at ceremonies marking the centennial of the U. S. postage stamp.

**Walter H. Paul**, state agent at Minneapolis, Sunday completed 25 years' service in the field for the companies and has been enrolled as a member of the "Norbit Guards," 25-year service organization. He has spent all the time in the Minnesota field, except for a short period at the Pittsburgh office.

**Mort F. Grim**, special representative in Ohio of the Phoenix-Connecticut group, will celebrate his 60th year in the insurance business June 7. He started in insurance as an office boy and supply clerk with Franklin at Columbus in 1887 and joined Phoenix in 1911. He was state agent in Ohio until a few years ago when he took over the task of handling claim matters for the company in the Columbus office.

**Ralph E. Clark**, president of Home of Hawaii, is on a business visit to insurance centers on the mainland. He spent last week in San Francisco and then left for New York.

Commissioner **Newell R. Johnson** of Minnesota, who was recently reappointed and on May 30 observed his 50th birthday, was surprised when a widely read St. Paul newspaper columnist referred to him as "former insurance commissioner" in commenting on his anniversary.

**Walter F. Lee**, assistant manager of Yorkshire in Chicago, June 6 is completing 30 years in the insurance business, all of the time in Chicago. He started with North America and was connected with that company for five years and for a similar time with Crum & Forster. Subsequently he was an independent broker for six years. For the last 14 years he has been assistant manager for Yorkshire.

**Elmer L. Barr** of the Barr Adjustment Co., San Bernardino, Cal., is on a trip through the midwest and east to confer with clients.

**Elma May Colver** and **William H. Moore**, partners in the Cook & Colver agency of Wichita, recently were married. Mr. Moore only last month closed his independent Central Kansas Adjustment Co., which he had operated in Wichita since 1935, and joined the agency. He is big toad-elect of Sun-

flower Blue Goose puddle, and was wielder of the Kansas pond last year.

He was a charter member and executive secretary in the early years of National Assn. Independent Insurance Adjusters.

**Gen. Julius F. Howell**, Bristol, Va., local agent and former commander-in-chief of the United Confederate Veterans, participated in ceremonies in Washington, D. C., including Confederate memorial exercises. Gen. and Mrs. Howell, whom he married when 88, flew from Bristol.

**Lt. Col. Walter R. Calvert**, partner in the Booker & Kinnaird agency, Louisville, has been named commander of the Louisville chapter of the Military Order of World Wars.

## DEATHS

**T. A. Falgatter**, 67, hail department supervisor of Crum & Forster, died at Kearney, Neb., after being ill with a heart ailment since last winter.

**Edwin Fenton**, 87, local agent and first mayor of Laurel, Mont., died at a Billings hospital. He had been a resident of Montana since 1889.

**Rowland C. Burdick**, Syracuse local agent, died there following a long illness. He entered insurance in New York City as a fire underwriter. Later he was for seven years with the Buffalo Fire Underwriters Board. At one time he was special agent for New York state of Dubuque F. & M. In 1914 he went to Syracuse and established his own agency.

**Mrs. Frank D. Moses** of Harrisburg, Pa., wife of the secretary and manager of the Pennsylvania Assn. of Insurance Agents, died a few days ago.

**Gerrit J. Voldman**, 89, president for 25 years of Ottawa-Allegan Farmers Mutual, died at the home of a son at Grand Rapids, Mich. He leaves 89 descendants in five generations.

**Phineas White**, 68, a director of the State Mutual Cyclone and a local agent at Lapeer, Mich., died there of a heart ailment.

**Robert E. Augustus**, 44, local agent in suburban Louisville, died of a heart attack. He was formerly in charge of the insurance department of the Southern Trust Co. before opening his own office.

**Kit Wilson**, 67, assistant manager at Kansas City, Mo., for the Mill Mutuals, died. Mr. Wilson had been in insurance work since 1910, starting with the old Freeholders of Topeka. Later he joined Fidelity-Phenix as special agent in Illinois and Colorado, then went to Missouri as state agent for American.

In 1926 he entered the local agency business in Kansas City with the Shryock Investment Co. and several years

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BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

### BRANCH OFFICES IN KEY CITIES

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; Kenneth O. Force, Associate Editor. Business Dept.—Ralph E.

Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

ATLANTA 3, GA.—432 Hurt Bldg. Tel. Walnut 9801. Ernest E. Hess, Southeastern Manager.

BOSTON 16, MASS.—258 Park Square Bldg. Tel. Hubbard 8696. Wm. A. Scanlon, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. A. J. Wheeler, Special Representative. L. N. Yellowlees, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkwy 2140. Abner Thorp, Jr., Vice-

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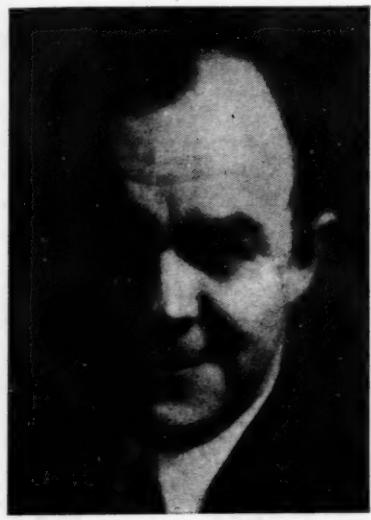
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later became assistant manager of Mills Mutuals.

Mr. Wilson was a law graduate of the University of Kansas. Two nephews are in the insurance business, Paul M. Britton, assistant manager in the western department at Chicago for Fireman's Fund, and Lee F. Britton, of the Britton & Davis agency, Tulsa, Okla.

## Albert N. Butler Dies Suddenly at N.A.I.C. Meeting

ATLANTIC CITY—While in Atlantic City for the National Assn. of Insurance Commissioners annual convention, Albert N. Butler, vice-president,



A. N. BUTLER

dent of Corroon & Reynolds group of fire companies, died in his hotel room here at 7 o'clock Tuesday morning following a heart attack. He was 58 years old. He had had a heart ailment for about two years, though it was not known even to his close associates. His death was entirely unexpected. A doctor was called as soon as he suffered the attack but Mr. Butler was beyond medical aid. He survived long enough, however, for a priest to administer the last rites of the Catholic church.

Mr. Butler was apparently in the best of health the evening before his death. He had been here since Thursday and had remarked to friends that he had never felt better. Easily one of the most popular figures at the N.A.I.C. conventions, he had been attending them for more than 30 years, starting soon after he joined the New York department as a stenographer.

At the midyear N.A.I.C. conventions, held usually in New York City, Mr. Butler was the perennial chairman of the local arrangements committee and did a superhuman job of looking after things, from the big luncheon which the insurance industry gives in honor of the commissioners, down to the smallest details. With all that he had to do, however, he found time to mingle with his many friends. As one of his close friends said, "he lived for these meetings."

When Mr. Butler was a young man with the New York department, Superintendent Jesse Phillips, now chairman of Great American Indemnity, noticed his abilities and promoted him from stenographer to examiner. He later became chief fire company examiner. He left the department to go with a stock exchange firm in 1930. The next year he returned as a deputy, first in Albany and later in New York City. He was in the liquidation bureau and had charge of the Globe & Rutgers rehabilitation. When this was completed, in 1933, he went with Corroon & Reynolds. Both his sons are in-

surance men. Albert, Jr., is with Aetna Fire and James is a junior examiner in the New York department.

Because of his death the Pamunkey ceremonies, traditional at annual meetings of the N.A.I.C., were called off.

**Mrs. Mary R. Rielage**, 64, died in Cincinnati of a cerebral hemorrhage. She was the mother of B. A. Rielage, local agent, and the widow of J. D. Rielage, formerly superintendent of the Ohio Audit Bureau at Cincinnati for many years. Another son, Joseph C. Rielage, is a partner in Frederick Rauh & Co. agency.

### Airport Subrogation Suit at Wichita Dismissed

WICHITA—Suit against the city of Wichita for more than \$66,000 brought by United Firemen's and other companies, all members of Aero Underwriters, who sought to recover for claims paid when the main hangar at the Wichita municipal airport burned in 1945, destroying 28 planes, was dismissed in federal court here by Judge Broaddus. The companies claimed negligence in the method of storing and handling planes in the hangar. The judge dismissed the case without submission to the jury, ruling that there was not enough evidence showing the city negligent to justify the jury's consideration. Several other suits are pending in state courts in connection with the fire.

### III. Regional at Waukegan

John E. Moschel, vice-president of Region 2, of the Illinois Assn. of Insurance Agents, has announced the next regional meeting will be June 26 at Waukegan.

The Waukegan Assn. of Insurance Agents is sponsoring this meeting. An invitation to attend the meeting is extended to all agents in the territory around Waukegan.

### Kansas Loss \$150,000

Fire of undetermined origin collapsed the Montgomery Ward retail store at Manhattan, Kan., May 30 with an estimated loss of \$150,000. The blaze started in the basement and swept through the roof, dropping the entire structure to the ground. Western Adjustment is handling both the building and contents.

### Pa. Excess Bill to House

HARRISBURG—A bill providing for qualification and licensing of excess brokers other than life was passed by the Pennsylvania senate. The bill provides that the excess broker meet the same conditions of licensing as a general broker.

### Firemen's Quarter Century Club

The 25 Year Club of Firemen's will meet in Atlantic City next week. There are 210 members who have served the company 25 years or more. The western department will be represented by Ernest Richert, who is with the accounting department.

### Young Pa. Firebugs Captured

Seven confessed firebugs charged with destroying nearly \$100,000 worth of property have been rounded up in the vicinity of Paoli, Pa., by state troopers, township police and an agent of the National Board. Two others of the accused are still at large, though their arrests are expected momentarily. Eight of the group are volunteer firemen. The firebugs are from 15 to 22 years old. They are reported to have set fires for the thrill of riding on the fire engine and extinguishing the flames. The biggest damage was to a barn destroyed May 27, the loss was \$50,000.

**Paul B. Mooney**, who had been associated with several insurance companies, has opened the Agents Adjusting Co. at Columbus, O.

## Reconcile Opposing Views on N.A.I.C. Central Office

(CONTINUED FROM PAGE 1)

tion at this meeting would at last take affirmative action on the proposal to set up a central office. The committee, headed by Forbes, held hearings here for two days and was able to reconcile most of the views. That committee presented its report to the executive committee Tuesday, and the sharpest verbal exchange of the week occurred at that time when McCormack of Tennessee offered certain objections. It appeared for a while that the whole program might fall, but after some pyrotechnics, McCormack agreed to confer with the group.

The Forbes committee recommended that the central office be the office of the secretary with the secretary in general charge. It would be permanently situated in some centrally located city. All N.A.I.C. records except those of the committee on valuation of securities would be kept there. There would be employed an assistant secretary, who might be known as executive secretary, and a stenographer; the assistant secretary would work under the direction of the secretary; no additional employees would be put on without the approval of the association; the valuation of securities office would be retained in New York; the duties of the office would consist of correspondence, it would be a source of information on rulings, rate filings, legislation and other activities, it would assist in preparing reports for committees and would handle details of convention examination assignments under the direction of the chairman of examinations committee. Additional facilities might be required later. The secretary-treasurer would receive no salary. The budget of the association would have to be increased from \$8,000 to \$25,000. The office would be supervised

by a committee of three.

McCormack objected to the idea of having a supervising committee of three on the ground that this would not be a democratic setup. He also objected to the possibility of the hired man being designated "executive secretary," saying that this might lead to the creation of a "super-dooper" commissioner. Temps flared with Dineen and Harrington of Massachusetts getting into some particularly harsh exchanges with McCormack.

### New Jersey Governor Heard

All hands turned out for the cocktail party and banquet Tuesday. Entertainment was provided by the Prudential mixed chorus. President Shanks of Prudential was toastmaster and the speaker was Gov. Driscoll of New Jersey. He made a great hit in complimenting the insurance world in developing the idea of interstate cooperation. This, he said, is the answer to those who want a centralized system at Washington. Insurance has demonstrated, he declared, that home rule can be made to work. The alternative is government at Washington.

The states are close to the people and can translate their wishes into constructive dynamic and intelligent action. This applies to almost every field that is close to the individual citizen. Those who lose faith in home rule go to Washington, get the ear of some one there, a bureaucrat enters the picture, a deal is cooked up whereunder the U. S. takes over a job with a federal appropriation matched by a state contribution. The state falls for the lure. What is needed is clear rules and a redefinition of governmental duties. To each level of government should be delegated the duties it is best able to perform. Governmental jurisdictional disputes, he said, are holding up housing developments today.

### Dineen Calls for Cooperation

(CONTINUED FROM PAGE 1)

dollar limitation for conflagrations originally fixed a proper one in light of today's conditions, having in mind the reduction in the value of the dollar and the fact that we are now living in the era of atomic energy?

Also, there is the matter of the 5% allowance for profit. There are no separate profit figures on fire insurance in composite form covering this 25 year period. Figures as to premiums earned and losses incurred (as well as written and paid) are available for the 25 years, but expense figures for fire separately have been available only since 1935. Even these figures suffer from statistical shortcomings. Then, too, he declared, it will be necessary to get up a formula to be applied by the states undertaking to regulate casualty lines for the first time. "Will a formula which works adequately in one line of business be satisfactory in another line of business? Where will the cause of state regulation stand if each state develops a formula of its own, and how will we square ourselves with the spirit of the Robinson-Patman and state acts prohibiting unfair discrimination, if the policyholders in one state are called upon by law or administrative regulation to pay rates which include a higher margin of profit than that allowed in other states, or vice versa?"

"One of our rate structures contains no allowance for profit whatsoever. It poses the question: Are those companies which are engaged in that business being conducted as eleemosynary institutions, or is provision being made for profit in the rate structure indirectly through redundant loading?"

With rate regulation on practically a countrywide basis, the amount of rates regulated will run into billions of dollars, he remarked.

### ACCIDENT AND HEALTH

The recommendation of zone 4 that all accident and health insurers be required to furnish experience figures from which the states may determine whether benefits are in line with premiums was accepted by the accident and health committee for study and will be reported on at the December meeting. The recommendation, formulated at the recent zone 4 meeting in Des Moines, will be put into effect by the zone 4 states even if the N.A.I.C. should not adopt it. However, the zone 4 commissioners felt it would be better, in the interest of uniformity, to discuss the recommendation with the accident and health committee, with a view to its being adopted by the N.A.I.C.

Chairman Knowlton, New Hampshire, raised the question of how the call would be made, who would compile the information and how it would be distributed. ("Central office," called an unidentified voice.) Another question, raised by an industry spokesman, was whether the data would be a public record and available to competitors. The plan is to keep it confidential. However, Deputy Tom Shands of Florida said some states, including Florida, prohibit any documents being kept secret.

Joseph F. Follmann, Jr., manager Bureau of Personal Accident & Health Underwriters, made a vigorous statement in opposition to the move, already made in Texas, Florida and Nevada and under consideration elsewhere, to make the third edition of the Official Guide applicable to all policies issued after a specified date even if they had previously been approved. After he finished, Texas, Florida and Georgia agreed to suspend their ruling pending further

(CONTINUED ON PAGE 28)

# STOP

## ...UNNECESSARY PLATE GLASS BREAKAGE

**DEVOE & RAYNOLDS COMPANY, INC.**  
Paints • Varnishes • Brushes • Artists' Materials

P. O. BOX 328 • LOUISVILLE, KY.  
March 29, 1944

American Glass Company  
1030 N. Branch Street  
Chicago, Illinois

Attention - Mr. Benjamin Beris, President

Dear Mr. Beris:

Your letter of March 25 has been referred to the writer for reply.

Glass cracks when painted black because it absorbs heat very quickly and does not have time to adjust itself to the new condition. The internal strains have to be relieved and the result is that the glass breaks.

The amount of radiant energy present in normal daylight is about 100,000 microwatts per square centimeter of surface. Measurements made with clear glass subjected to light equivalent to 87,500 microwatts per square centimeter showed that the temperature rises from 82°F. to 100°F. in ten minutes and in thirty minutes reaches a temperature of 106°F. When the glass is painted black more of the radiant energy is absorbed and the temperature of the glass will rise about 57 degrees in the first ten minutes and reach a temperature of 150°F. in thirty minutes.

Because of this very fast rise in temperature the glass is very likely to break because of internal strains or because when firmly fixed in place there is no chance for it to expand.

Lighter colors absorb less heat and for this reason are not so apt to cause breakage.

Yours very truly,

DEVOE & RAYNOLDS CO., Inc.  
John C. Gehant  
J. C. Gehant - Chief Chemist  
Maintenance Division

JCG:MB

"PEOPLE WHO KNOW - USE DEVOE"

**THE SHERWIN-WILLIAMS CO.**  
1111 N. Wabash Avenue  
CHICAGO, ILL.

March 27, 1944

Mr. Ben Beris, President  
American Glass Company  
1030-42 North Branch Street  
Chicago, Illinois

Dear Mr. Beris:

The effect which you notice on black painted glass is not caused by any particular chemical composition of the black paint but rather by the heat which this color absorbs, thereby raising the temperature of the glass surface with a result that you get the cracking which you have observed.

The glass normally passes the heat right on through but when painted on either side with black paint tends to absorb it all and hold it. The reason light-colored paint, such as white or light tints, does not cause the same effect can be explained by the fact that whites and light tints reflect the heat.

Literature which we have on black-out paint indicates that a four inch band should be left around the edge of every window to be painted black in order to prevent this cracking, and this procedure has met with success since it is a common recommendation.

Yours very truly,

THE SHERWIN-WILLIAMS COMPANY  
R. D. Baker  
Chicago Technical Service Dept.

RDB:mb

Thousands of plate glass store fronts are cracked every year because of black paint. As you can read in the above letters from expert paint chemists, black paint absorbs more radiant energy than lighter colors and temperatures are nearly half again higher when black paint is used.

RECOGNITION MERITED BY OUR SERVICE  
Benjamin Beris, President

Tell your insureds about these facts as 98% of them don't realize the hazards involved through the use of black paints on window fronts. Lighter colors are more attractive, reflect the heat and keep cracking at a minimum. Help stop unnecessary plate glass breakage by informing your insureds so they can take precautionary measures.

**American Glass Company**  
1030-42 NORTH BRANCH STREET • CHICAGO

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## All-Industry Bills Pass in Pa., Meet Rebuff in Mass.

### Fair Trade Law Goes to Governor in Michigan

HARRISBURG—All seven insurance bills recommended by the all-industry committee passed the Pennsylvania senate last week. The Kurtz bill, authorizing payment of commissions to licensed brokers, passed unanimously a day later than the other six, because of a minor amendment. A few of the bills will require house concurrence on minor amendments, while the others will go direct to Gov. Duff, whose signature is regarded as certain.

Sen. Holland of Allegheny County was the only one to vote against all the six bills which passed first, his major objection being to the bill regulating ownership by domestic companies of stock of other carriers. Although the bill limits this investment to 5% of the assets, Sen. Holland claimed it opens the way to interlocking directorates, and this bill drew more opposition than any other, finally passing by 38 to 11. The rating bureau bill passed 47 to 2 and the other four 48 to 1.

### FAVOR MASS. PRODUCERS BILL

BOSTON—The insurance committee of the Massachusetts legislature, in a 14 to 1 report, strongly criticized the all-industry rate bills and recommended in substance the so-called "minimum regulation" proposals of Massachusetts agents, brokers, and domestic stock casualty companies. Sen. Innes of Boston, chairman of the senate committee, was the only dissenter. He upheld the all-industry bills.

The bills recommended by the majority report prohibit any interference with agents' and brokers' commissions. They require filing of rates, but permit their use without a waiting period, the commissioner to have power to disapprove rates at any time and to order refunds or additional charges, if he finds the circumstances so warrant. The proposal also permits a rating bureau, if approved by the commissioner, to refuse its services to an insurer of a different type from its members.

### FIRE, ACCIDENT BILLS IN OHIO

COLUMBUS—The all-industry fire bill has been passed by the Ohio senate and the bill regulating health and accident insurance has been passed by the senate and referred to the house committee on insurance.

The senate has concurred in house amendments to the bill requiring co-operatives to pay corporation taxes.

The amended bill reorganizing the Ohio insurance department has been approved by the senate insurance committee. The principal change is that the term of the commissioner, as he is called in the proposal, has been set at two years, beginning Mar. 1. The original bill called for a four-year term.

### FAIR TRADE ACT IN MICH.

LANSING—The Michigan house passed the insurance fair trade practices bill, which had been introduced in the senate with the all-industry fire, casualty and accident and health rating bills. The other three bills have been passed and signed by Gov. Sigler and his approval of the fair trade act is assured, since this

### B. I. Rates Up 16% P. D. 27½% in N. Y. State

Increases in the B. I. and P. D. rates for private passenger cars in New York have been approved by the New York department. The loss ratios during calendar year 1946 show that the rates in effect since last July have not been adequate to provide payment for the losses which have occurred.

The increased rates provide for the payment of assessments to the New York motor vehicle liability security fund and for payment of the state motor vehicle bureau's expense in connection with administering the safety responsibility act.

The average increase in rates is 16.3% for bodily injury and 27.5% for property damage.

New York is the 36th state for which increased private passenger car liability rates have been made effective since Feb. 17 of this year.

The increased rates apply to all policies written on or after June 2 and to all policies written to become effective on or after July 1 regardless of when written.

was part of the administration legislative program.

The fair trade measure ran into difficulties in its original version, being shunted back into the senate insurance committee when it made its first appearance. Later, opposition was dissipated when the bill's backers accepted changes proposed by various elements in the business. The major amendments placed limitations on the commissioner's investigative powers and subjected his orders, which could be promulgated only after due hearing, to court review. All four regulatory acts were introduced by Sen. Hamilton, Battle Creek agent and insurance committee chairman.

### STOCK PURCHASE LAW IN CONN.

HARTFORD—Gov. McConaughy has signed a bill for regulation of domestic insurers and their directors. It provides that any domestic company may retain or acquire the whole or any part of the stock of other insurance corporations, provided the acquisition or retention does not substantially lessen competition or tend to create a monopoly. Any person, it further provides, may be a director in two or more insurance corporations if such interlocking directorate is not used to substantially lessen competition or to create a monopoly.

Whenever the insurance commissioner believes one of these provisions is being violated, he is empowered to call hearings and if the evidence warrants to order the violation stopped. Appeal from his decision shall be to the superior court for Hartford county, which will have power to modify, affirm or reverse the commissioner's order.

### PLOESER RAPS D. C. BILL

WASHINGTON—Protesting the all-industry casualty rate bill for the District of Columbia, which has been bogged down in compromise negotiations among seven groups interested, Representative Ploeser, St. Louis agent and chairman of the house small business committee, said: "On the surface this bill appears to comply with the intent of Congress, but a careful investigation of its terms discloses that it will not produce such results in practice. Actually, it would operate to bring about uniform rates and stifle initiative and free enterprise in the business."

He declared that the authors of the all-industry bill had indicated in writing that the preservation of competitive opportunity was of "secondary importance

### Insured Losses on Two Plane Crashes Exceed \$1 Million

NEW YORK—It is estimated that insurance losses will be considerably over \$1 million as a result of two airline crashes during the Memorial Day weekend which killed 95 persons.

United Airlines, whose four-engined plane crashed on takeoff from La Guardia Field, killing 42, is self insured for hull liability but U.S. Aviation Underwriters carries the passenger liability, workmen's compensation, and other non-crash coverages. Douglas DC-4s, valued at approximately \$250,000 were involved in both accidents, successively the worst disasters in U.S. aviation history.

Thus far accident policy claims have been received by Associated Aviation Underwriters, 10 on passengers aboard the Eastern Airlines plane and seven from the United crackup, according to W. M. Churchill, supervisor of advertising and production for Associated. Most of the policies were for \$5,000, which are sold by Associated for 25 cents. With the company's 30-day return trip policy in effect, however, other claims are expected which will boost the total well over the present total of at least \$85,000. Some of the passengers killed in the two crashes may have purchased tickets on other flights in the preceding month.

The Eastern Airlines plane, which dived 6,000 feet into a Maryland swamp, killing all 53 aboard, was insured by Associated Aviation Underwriters for all risks, including crash.

As there is no statutory wrongful death limit in either New York or Maryland it is estimated that when all claims are paid damages will exceed the million-dollar figure.

Despite the accidents, underwriters in the three major aviation insurance groups believe that the crashes were a normal underwriting risk. They do not feel that any additional hazard has shown up in the DC-4 and do not contemplate any increase in rates. The plane, a commercial version of the C-54 army transport, has been in use several years and has been tested in millions of miles of flight by air lines throughout the world.

Very few flight cancellations were reported in the New York area in the wake of the crashes though the total killed in the two accidents was but two short of the number of fatalities on regularly scheduled domestic flights in the United States during all of last year.

### Bivin Addresses Forum

NEW YORK—Thomas Bivin of Great American Indemnity at the Surety Company Claim Men's Forum discussed clause B of bankers blanket bond form 24. Mr. Bivin after furnishing a hypothetical case discussed the problem at length. At the last meeting of the season, June 11, the forum's planning committee will announce plans for next season.

to removing insurance from the application of the federal anti-trust law."

Rep. Ploeser pointed out, "it is impossible for Congress to act without conveying the impression to interested parties all over the United States that it is interpreting the declaration of the previous Congress and, therefore, presenting a legislative pattern to be followed broadly throughout the country."

"Certainly, the all-industry bill, which is slanted in the direction of uniformity and which is difficult and unnecessarily expensive of operation and not geared to the practical necessities of a competitive business, must not be adopted for the District of Columbia."

### Casualty Volume Problem Shows No Prospect of Relief

#### New Financial Responsibility Laws to Add More Auto Business

NEW YORK—Although there are certain indications that the critical phase of the volume problem so far as the fire insurers are concerned may be passed by the end of this year, some observers think that in the casualty field the situation will grow worse before it grows better.

This is particularly true of the automobile field, in which more companies are dumping business in order to preserve their surplus. One of the older insurance groups recently sent a letter into its midwestern territory announcing that it would accept no new business but only take renewals hereafter. Still another group closed out 163 agencies in a midwest state not long ago. Its business was chiefly automobile, and those agents now are scrambling around to get automobile insured under cover.

One of the ironic factors in the picture is that the very thing that companies need in the way of relief on automobile business, rate increases, is making more acute the problem of putting up unearned premium reserves. A company that wrote \$1 million of automobile business in 1946, without adding a single new car in 1947 would find its premiums running \$1,500,000 or more in 1947 and would have to find additional money to put up the reserve on the increased premiums. It would be in better shape in 1947 so far as experience is concerned, but it would be even more out of gear as respects the ratio of policyholders surplus to premiums written.

#### Effect of Responsibility Laws

In the meantime several new financial responsibility laws will go into effect later this year. Some of the states are not populous, but Iowa on Oct. 1 and Colorado on the same date will add a considerable chunk of new automobile business to the general insurance pot, and there will be some new business from North Dakota, Jan. 1; New Mexico, June 14; Wyoming, March 1, 1948; and even North Carolina, July 1, and Florida, Oct. 1, which two states have the old style, less stringent type of law. It is recalled that Missouri's financial responsibility law, of the old type, when it was put into effect recently, developed a considerable amount of new automobile business.

With reinsurers loaded to capacity, it is a question how long the large company groups that have been taking over automobile business with a fairly generous hand can continue to do so.

The suggestion that companies can go into the stock market and get additional capital and surplus is a logical one but the present condition of the market means that companies other than the front line, blue chip variety would have to pay a good deal as a premium in order to promote additional money.

One worry that is in the minds of many insurance men is the question of public relations. If financial responsibility laws are put into effect, but no adequate market is available, those unable to purchase coverage would demand some kind of relief immediately, possibly of the state provided variety.

# \$64 Question: What Will Happen Where No Rate Laws Pass?

**Much Speculation Since Several States Face Jan. 1 That Way**

WASHINGTON—What rating bureaus and similar industry organizations and individual companies will do here and in states for which new rate regulatory legislation is not passed this year to comply with public law 15 is a matter of speculation among insurance observers here.

While the alternatives would appear to be either extension of the anti-trust law moratorium or a change in certain practices of companies and rating bureaus, some observers point to Attorney General Clark's recent address to the New York insurance brokers. That appeared to indicate to these observers that the justice department does not contemplate cracking down on companies and bureaus after Jan. 1 because some legislative body fails to comply with PL 15.

#### Debate Significance

However, other observers say the Clark speech was only one outgiving from the department, and that there have been others indicating an opposite course is contemplated there.

While some say rating bureaus and the like may be disposed to take a chance, perhaps, and continue to function here in concert as they have in the past on the basis of the latest Clark speech, others—and they include regulatory officials—express doubt that companies or bureaus would continue doing things that might be classed as technical violations of the anti-trust laws.

The result of failure to pass a casualty rate regulatory law for the District of Columbia would be "confusing," according to testimony taken by the Simpson (House) insurance subcommittee for the District of Columbia.

If concerted action continues in the absence of regulatory laws for the district and a number of states, some observers say that "around the fringes" of the industry there would not unlikely be certain practices indulged in that would result in complaint and demand for legal action. Sooner or later, these observers say, such action might be bad.

As to the situation here, workmen's compensation operations would be difficult without a new law, it is believed. There is a compensation rating bureau through which all companies clear their policies, and rates are filed by the National Council on Compensation Insurance for all companies. The bureau audits the books of insured.

Surety bond rates are handled by the Towner Rating Bureau and auto rates by the National Bureau of Casualty & Surety Underwriters and so on. Fire rates are in the clear under the new fire rate law, which resulted in setting up a fire rating bureau.

#### Names Pittsburgh Agency

Peerless Casualty has established an agency in Pittsburgh known as Peerless Underwriters, Inc., of which Ralph A. Rohrck is president. The office is at 311 Ross street. Mr. Rohrck formerly was assistant manager of Maryland Casualty in Pittsburgh, and for 10 years was manager for Metropolitan Casualty and Commercial Casualty. He is past president Surety Assn. of Pittsburgh. The agency will specialize in fidelity and surety but has facilities for handling casualty and fire business.

## Propose State Auto Security Fund in Pennsylvania

HARRISBURG—A bill proposing a motor vehicle liability security fund for Pennsylvania, to be built up from assessments on premiums paid for automobile insurance, was introduced in the state senate this week by Sen. Jaspan. Similar to the recent New York law, the proposed fund would be to protect insured in motor vehicle liability cases in the event of the insolvency of the insurer.

A 2% assessment on net direct written premiums for three years is proposed by the bill, after which the assessment would be 1%. The measure has been referred to committee.

#### JUDGMENT FUND IN ONTARIO

TORONTO—Ontario's new automobile judgment guaranteed fund will go into effect July 1, together with amendments to the financial responsibility law. Minister of Highways George Doucette stated that reciprocal arrangements have been made with all other provinces and with more than 20 American states to punish violators. Persons convicted of a number of highway offenses will have their licenses revoked immediately, even if from out of the province, and vehicles driven by anyone whose license has been revoked or suspended will be seized and sold by the government.

The unsatisfied judgment fund is similar to that in force in Manitoba, Alberta, British Columbia and North Dakota. Each motorist must pay an additional fee of \$1 with his 1948 driving permit, and this fund will be used to pay uncollectible judgments arising out of automobile accidents, up to \$5,000 for any one person, \$10,000 for any one accident and \$1,000 for property damage. A debtor who fails to pay a judgment may not own or operate an automobile until he has reimbursed the fund with interest and filed proof of financial responsibility.

#### Compulsory Feature of Ky. Compensation Law Voided

LOUISVILLE—The Kentucky court of appeals held invalid the 1946 law that compelled employers engaged in hazardous occupations to operate under the workmen's compensation law. This means that the compensation law reverts to its former status of being optional with employer and employee, with the added proviso that hazardous occupations must operate under it or carry sufficient voluntary insurance to cover payment of liability claims arising from deaths of employees.

The court ruled that the compulsory act was repealed by inference a week after its passage when the 1946 legislature enacted a second law making operation under the workmen's compensation law optional and demanding insurance coverage for those who do not elect to come under its provisions.

#### Issue of "Knock for Knock" Agreements Before N.A.I.C.

ATLANTIC CITY—At a meeting of the N.A.I.C. casualty and surety committee Wednesday morning, Kavanaugh of Colorado brought up the question of auto property damage and collision agreements. His ammunition came mainly from Michigan Assn. of Insurance Agents. He alluded particularly to "knock for knock" agreements and to the practice of getting out of third party claims for the price of the assured's deductible in his collision policy. Kavanaugh said he is going to try to put a stop to it in his state. He said seven independent companies are parties to such an agreement in Colorado, one of which is the largest writer in the state.

Walter Bennett of National Assn. of Insurance Agents asserted that any trend away from equitable and fair ad-

## CROSSER REPEAL TESTIMONY

# Actuary Shows 85% of RR Men Voluntarily Covered

Among the most illuminating testimony prepared by insurance representatives to be presented at the ill-fated House hearing on repeal of the Crosser bill was that by Edward D. Brown, Jr., independent actuary of Chicago, who had determined that more than 85% of the normal number of employees on the railroads have voluntarily provided sickness and accident protection for themselves.

Mr. Brown was well buttressed with figures to support his contention that there is no reason for a program which would encourage railroad employees to abandon plans for self-protection which they had found satisfactory, and instead compel them to participate in a compulsory plan providing benefits which may be considerably less desirable, and which are made uniform for all employees in the same wage bracket, regardless of individual needs.

Assuming that the normal level of railroad employment is 1,200,000 employees, an estimate considerably below the figure in February, 1947, Mr. Brown estimated there were 1,023,218 railroad employees who had protected themselves against accident and sickness either through insurance companies or relief associations. Total benefits paid by the insurance companies and relief associations in 1946 amounted to \$19,870,991, not including five organizations for which the figures were not available. Inclusion of these would bring the total of claim payments in 1946 to more than \$20 million, according to Mr. Brown.

Mr. Brown was prepared to testify that the Crosser bill provisions present an entirely new concept of unemployment as originally provided by the railroad unemployment insurance act and as provided by the unemployment insurance acts in several states. The original concept of unemployment was the inability of industry to provide jobs and that employees thus deprived of employment should be entitled to benefits by reason of this inability of the industry. The Crosser bill, however, expanded the concept of unemployment to include the unemployability of an individual by reason of sickness or accident, in no way caused by or relating to the occupation, and imposes the entire cost of providing such benefits on the employer.

#### Lists Fund Pay by Years

Mr. Brown's written testimony says that the railroad unemployment insurance act provides for financing the plan through contributions from the railroad, amounting to 3% of payroll, not in excess of \$300 per month for any employee. Contributions by the railroads to the fund have averaged nearly \$100 million per year. Benefit payments for the first four fiscal years of operation, ending June 30, 1942, averaged slightly more than \$10 million per year. In the next three fiscal years, a period of very full employment, benefit payments averaged about \$1 million per year. In the fiscal year ending June 30, 1946, benefit payments increased to \$17,200,000 and for the nine month period from July 1, 1946 to March 31, 1947, benefit payments have totaled almost \$40 million, or an annual rate of about \$53 million. The result has been a tremendous in-

adjustment practices should be halted. Kavanaugh suggested that publicity might be efficacious.

The issue of Schedule L bobbed up again. This is the fire and casualty salary exhibit that was adopted, then suspended during the war before ever becoming operative, and just recently recommended for permanent discard by the blanks committee. However, McCormack of Tennessee announced his intention of seeking to have Schedule L reinstated.

crease in the amount held in the railroad unemployment insurance fund, which is now in excess of \$800 million.

Proponents of the Crosser bill took the position that the railroad employees have a vested right to any surplus in the fund and are entitled to have this money paid out to them in the form of enlarged and added benefits, Mr. Brown said.

## SUMMARY OF COVER

In support of his contention that railroad employees have demonstrated their ability and willingness to protect themselves voluntarily, Mr. Brown offered the following summary of their non-occupational accident and sickness coverages:

He said that figures supplied by 12 insurance companies, while admittedly incomplete, show that total of 619,634 railroad employees were insured at Dec. 31, 1946. In addition to accident and sickness insurance, most of these companies also offer policies providing hospital and surgical benefits which are available not only to railroad employees, but to other members of the family. The figure, however, represents the number of employees covered under accident and health insurance and does not include additional members of the family.

The data was furnished by Benefit Assn. of Railway Employees, Continental Casualty, Massachusetts Bonding, Equitable Society, Metropolitan, Mutual Benefit H. & A., Order of Railway Employees, Pacific Mutual, Provident L. & A., Travelers, Washington National and Zurich.

During 1946, nine of these companies who insure 585,924 railway employees paid out approximately 165,000 claims, totaling \$9,720,020.

He commented that the coverage under the policies of these health and accident insurance companies generally provides for benefit payments for a longer duration than under the present provisions of the railroad unemployment insurance act, and such benefits are provided for any sickness or accident regardless of the cause.

#### Voluntary Relief Associations

Mr. Brown was prepared to testify that on nine railroads there have been set up voluntary relief associations which provide sickness, accident and death benefits for members. A very large percentage of the employees of each of the railroads have joined. Contributions to the relief associations are based upon the salary classification of the employee. A death benefit is provided, generally ranging from \$250 in the lowest classification to \$1,250 in the highest. Additional benefits may be secured upon payment of additional contributions. Accident benefits range from 50 cents per day of disability up to \$2.50 per day, generally payable for the first 52 weeks of accident disability and one-half the original amount for an additional 52 weeks. The same benefits are payable for sickness after the first six or seven days which again are continued for the first 52 weeks and halved for the second 52 weeks. While these benefits are comparatively modest, they extend over a considerably greater time than those contemplated under the existing railroad unemployment insurance act, Mr. Brown commented.

These relief associations are maintained on the following railroads: Atlantic Coast Line, Baltimore & Ohio, Chicago, Burlington & Quincy, Norfolk & Western, Washington Terminal, Pennsylvania, Reading, Richmond, Fred-

(CONTINUED ON PAGE 29)

**NATION-WIDE**  
**MULTIPLE LINE INSURERS—**  
**CONDUCTING THEIR BUSINESS**  
**ONLY THROUGH ACCREDITED**  
**AGENTS AND BROKERS—**  
**THE KIND OF COMPANIES**  
**ACCREDITED AGENTS AND BROKERS**  
**LIKE TO DO BUSINESS WITH**



**AMERICAN & ASSOCIATED  
INSURANCE COMPANIES**

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## Give Especial Attention to Accident-Health Statistics

In the coming year, especial attention is to be given by the Health & Accident Underwriters Conference to the matter of securing statistics on the business.

In view of the great desirability of comprehensive and trustworthy statistics on accident and health insurance, the statistical committee of the conference, headed by S. S. Battleson, West Coast Life, suggested starting with a simple breakdown of the business into major classes and presented a suggested blank, to be sent out to all accident-health companies, which would give the number of policies, number of insured, amount of premiums, number of claims and amount of claims, segregated as to commercial, monthly premium, weekly premium, limited, non-cancellable, hospitalization, family group, franchise and group. On the number of insured, companies are asked to indicate whether secured by actual tabulation, estimate from sampling or by empirical estimate. On amount of premiums and amount of claims, they are to indicate if other

than on an earned and incurred basis. The committee suggests that tabulation of these returns when complete should be of immediate benefit as showing the number of persons insured by voluntary plans and the percent of increase over Dec. 31, 1941. Later, when a larger number of companies are prepared to furnish equivalent information so that it can be coordinated on an industry-wide basis, it will be possible to broaden these statistical reports to provide valuable experience data.

It is emphasized that the conference cannot do this job singlehanded. It requires cooperation involving some expense by every company in the accident and health business.

### Minimum Medical Standards

In connection with the suggestion made at the regional meeting of the conference at Milwaukee, that the medical insurance committee study and recommend minimum standards of benefits for prepaid medical and surgical care, the committee, headed by Robert R. Neal,

North American Accident, in its report at the annual meeting reviewed some of the matters that must be taken into consideration in that connection.

One is the distinction between "medical insurance," applying to insurance plans that provide indemnity, on either a cash basis or a service basis, for medical attention furnished by properly qualified physicians, and "medical care insurance," a more comprehensive term embracing not only medical insurance but hospitalization and surgery as well. In actual operation, it is stated that the two types are commonly associated, which complicates the problem of segregating the data applicable to medical insurance alone.

For the purpose of distinction, the report refers to medical payments coverage as covering doctors' calls at the home, office or hospital. It states that no experience is available on which to base the conclusion that this type of coverage has been or can be written alone. The Wisconsin and Minnesota plans, along with those contemplated by Rhode Island and Connecticut, include medical payments coverage as an optional rather than a mandatory portion of the plan.

There are two philosophies among insurers as to how or on what basis medical insurance should be written. Some

feel that they are primarily engaged in writing loss of time protection and that any additional coverage, such as hospital, surgical or medical insurance, is merely an adjunct and should be held at minimum cost, so that the total premium may not reduce unduly the policyholder's loss of time protection. Other companies which will write hospital or undertake to write surgical and medical insurance alone are not concerned with loss of time protection and therefore feel free to apply the policyholder's full capacity to pay to the purchase of these special lines. They can thus offer higher indemnities and more nearly approach full payment coverage on the basis the doctor desires to be paid.

On the question of minimum standards, those in Minnesota are regarded as representing the most recent thinking. For group or individual coverage, the minimums for doctors' calls are \$3 in the home, \$4 in office or hospital (in each of these cases beginning with fourth call); \$20 limit for any one disability and \$100 in any 12 consecutive months; for dependents, \$2 beginning with first call in hospital and \$60 limit in 12 months. A waiting period of nine months is provided for maternity and six months for appendicitis, hernia, heart trouble, adenoids and hemorrhoids.

### Would Revive Institute

A revival of the Health & Accident Underwriters Conference Institute, to afford opportunity for advanced study to interested employees who have been in the business for some time, is recommended by the conference educational committee, headed by E. J. Faulkner, Woodmen Accident.



E. J. Faulkner

There are necessarily two phases in any program for education of home office employees, the report says, the first concerned with the brand new employee who comes into the home office without any background in accident and health insurance, and perhaps none in insurance company administration and procedure, and the second dealing with the seasoned employee who is desirous of gaining a better understanding of disability insurance.

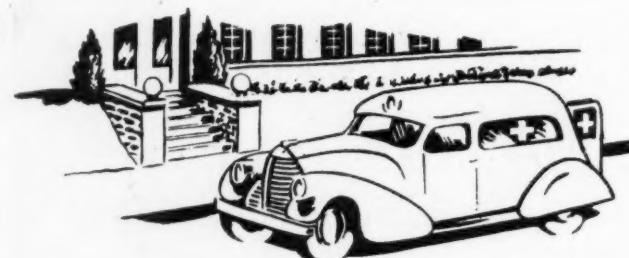
A survey of conference companies was conducted last December to determine what steps each company is taking to indoctrinate new employees. The information secured in this survey is being used by the committee as the basis for a proposed model home office manual which is being prepared as a guide to member companies. It is hoped that it will be ready for release by next fall.

### Weyforth Named Manager of New Indianapolis Office

B. Stuart Weyforth, assistant superintendent of agents for National Casualty supervising liability and surety production, has been appointed manager of a new Indiana service office of Continental Casualty and its affiliated companies, which has been opened in the State Life building, Indianapolis. It has full policywriting and service facilities for all miscellaneous casualty, surety and inland marine lines.

Mr. Weyforth has been with Continental Casualty and National Casualty since May, 1946, and previously was assistant manager of the western department of United States Casualty for eight years. Previously he was for several years chief underwriter of American Casualty's western department, and for four years with U. S. F. & G.

In addition to the companies listed in the report of that meeting, *National Standard* of Orlando, Fla., was admitted to membership in the Health & Accident Underwriters Conference at its annual meeting at Omaha.



## 3-Way HOSPITAL PLAN for individuals or family groups

- **PAYS** For both accident and sickness—in any hospital in the United States, Canada, or Mexico.
- **PAYS** Surgeon's fees—all operations covered. Surgery in hospital not required.
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## How to Burglar-Proof a Stove!

Build a roaring fire, get your stove really hot, and, mister, it's burglar-proof! Unfortunately, other more valuable possessions are not so easily safeguarded. Strong locks, fences, watchdogs . . . these are all wise precautions but not infallible. The one sure way to protect yourself against theft of money, silver, jewelry,

furs, clothing and other possessions is through burglary insurance.

Today, with crime rampant and values rising, you need complete *sure* protection against loss due to burglary and theft. Be sure that such losses will not come out of *your* pocket. See the U. S. F. & G. agent in your community today.

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HOME OFFICE: BALTIMORE 3, MD.

FIDELITY & GUARANTY INSURANCE CORP., BALTIMORE  
FIDELITY INSURANCE CO. OF CANADA, TORONTO

## Little Prospect of Crosser Act Change

WASHINGTON—It is reported that the Republican high command in Congress has passed along the word that nothing should be done about legislation amending the Crosser railroad retirement law, as it does not care to run the risk of arousing political opposition from railroad labor.

It was noted that six Republican mem-

bers of the House interstate commerce committee voted against hearings on bills to amend the act on Rep. Crosser's motion raising the "question of consideration."

There appears to observers little likelihood at present that any such legislation will be recommended by that committee, unless insurance and other interests concerned make their position known in no uncertain terms to congressional leaders.

Unless legislation action is taken this month, Crosser act benefits for non-oc-

cupational disability, sickness and maternity insurance become effective July 1, after which observers believe it would be more difficult than ever—if not impossible—to eliminate them as desired by insurance interests.

## Reduction in Compensation Rates in New Jersey

The compensation rating and inspection bureau of New Jersey has announced a reduction of 5.5% in the collectible level of workmen's compensation rates in that state, effective on new and renewal business July 1. The reduction in manual rates for classifications rated on payroll is 6.6%.

Excluded from the decrease are per capita rates applying to coverage of inservants and outservants of private residences; employers liability cover against negligence claims for injury by disease; specific rate elements and in connection with compensable silicosis and asbestosis, and rates for vessel coverage.

## Farmers Exchange Boosts Automobile Rates

New B.I., P.D. and fire, theft and collision rates have been filed by Farmers Automobile Inter-Insurance Exchange with the Washington department, effective June 1. Farmers has made only one change in B.I.-P.D. rates, having lowered the semi-annual rate for 5-10-5 standard limits B.I.-P.D. in Seattle territory from \$15.50 to \$14.50. It also had added a \$1,000 medical payments limit heretofore not offered.

For fire, theft and collision, all age groups have been consolidated. For comprehensive, the new rate is the same formerly applicable to group 1. Sharp increases have been made in collision rates.

## Minn. Hearing June 24

ST. PAUL—The 4.7% increase in compensation rates sought by the Minnesota compensation rating bureau will mean an additional \$470,000 in premiums if granted, according to C. C. Sheehan, secretary of the state compensation insurance board, which will hold a hearing June 24 on the request of the rating bureau.

## Chicago Cas. Adjusters Golf

The Casualty Adjusters Assn. of Chicago will hold its annual golf outing at Crete, Ill., June 10. There will be luncheon, golf, and then a dinner and entertainment, with awarding of prizes. James MacLean is golf chairman, and general arrangements are being handled by R. T. Luce, Casualty Mutual, association secretary.

The Casualty Underwriters Assn. of New Jersey will hold its annual meeting at the Downtown Club in Newark June 11.

## Accidental Deaths for Holiday Period Total 480

The National Safety Council estimates the accidental deaths from all causes over the Memorial Day holiday period as 480. Of these, 275 were due to automobiles and hence are noted as traffic accidents. Airplane accident deaths ran over 100, which increased the figure from that cause very greatly. The two big airplane accidents, one at La Guardia Field in New York and the other in Maryland, were very disastrous.

The number of automobile accidents for the first four months was less than for the similar period last year. Then the decrease stopped and beginning May 1 there was an indication that the figure of last year would be reached.

## Green to Leave Insurers Indemnity

Shelby H. Green has announced his resignation as president and director of Insurers Indemnity, effective Aug. 1.

Mr. Green organized the company in 1937 and has been its operating head since. The company writes all casualty lines and in 1946 operated in eight states and had a premium income of more than \$1,250,000.

Mr. Green has purchased a substantial interest in the general agency of Parkerson, Dupuis & Kurz, Lafayette, La., and will move to that city. His son, S. H. Green, Jr., who has been with the company since graduating from Oklahoma University in January, will be associated with his father in Louisiana.

Mr. Green also will be executive vice-president and general manager of the casualty division of Parkerson & Farber, although he will be interested in all phases of the general agency operation. Mr. Farber will continue as manager and Mr. Mohr as chief underwriter.

## Remains Foster & Messick

Because of sentimental considerations, there will be no change in the firm name of Foster & Messick of Indianapolis following the recent death of R. A. Foster. This has the approval of the home office of U. S. F. & G., for which they were managers in Indiana for more than 40 years.



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in a nutshell*

*Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.*

*A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.*

*Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copyrighted factual information of an educational nature, in condensed form.*

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**ANCHOR CASUALTY CO.**  
ST. PAUL 1, MINN.

June 5, 1947

## Liabi Appr

RALEIGH liability rates including payments these cover North Ca. Commis the chang to an ay bodily inj erty damna naional 7%, and v holders \$1,000 in elevat the 18%

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**...Here's  
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to help  
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business  
your way**

**"TO SAVE LIVES AND  
PREVENT WORK DELAYS"**

*In foreground, the steel work of Stuyvesant Town. Beyond, Parkers Cooper Village nearing completion.*

**HOUSING** for more than 11,000 families—56 big apartment buildings on 8 acres of land—in the heart of Manhattan... more enduring tributes to the service of insurance!

Just as the war effort compelled the construction of great arms factories, training bases and war workers' communities, today's national housing shortage again calls for an accelerated building program. A nation thanks to Metropolitan Life Insurance Company for its STUYVESANT TOWN and PARK COOPER VILLAGE, symbols of housing relief on a country-wide scale!

Vital Public Liability and Workmen's Compensation protection on these mammoth projects is provided by our agents in the business of insurance.

Our May and June advertising in general business magazines should lend strong support to swing more insurance *your way*. It offers impressive proof that no project is too big for our Companies to handle.

It features our role in providing Public Liability and Workmen's Compensation insurance on the Metropolitan Life Insurance Company's huge housing projects now under construction on East River Drive in New York City. It is convincing evidence of our long experience in this field. Regardless of the size or scope of their activities, contractors, architects, engineers, or owners only need be reminded of this long experience, including the efficient safety program of our engineering staff. This experience can be applied to both large and small projects in your community.

Our agents can capitalize on present prospects by keeping informed of contemplated projects and recommending a suitable insurance program such as is available through the service of our organization. For further sales helps address our Agency & Production Department.

**AMERICAN SURETY COMPANY**  
**NEW YORK CASUALTY COMPANY**  
Affiliate: **SURETY FIRE INSURANCE COMPANY**  
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100 Broadway, New York 5, N. Y.

## Liability Revisions Approved in N. C.

RALEIGH—The new general public liability rate schedule and rule revisions, including the introduction of medical payments insurance in connection with these coverages, have been approved in North Carolina.

Commissioner Hodges announced that the changes in North Carolina amount to an average reduction of 17% for bodily injury liability and 8% for property damage liability, compared with a national average reduction of 5% and 7%, and will save North Carolina policyholders \$250,000 annually. The increase in elevator liability rates is lower than the 18% national average.

### Court Hearing Held on Nat'l A. & C. License Issue

LOS ANGELES—Judge Fox of the superior court has concluded the hearing on the petition of National Automobile & Casualty, seeking a writ of mandamus to compel Commissioner Downey to set aside the 90-day suspension of the company's license, ordered by Commissioner Garrison May 15, 1946. He directed filing of briefs on both sides and set Sept. 22 as the date on which oral argument on the briefs will be heard.

The transcript of the hearing before Cecil C. Lloyd, chief assistant insurance commissioner, composed of more than 6,000 pages, and more than 300 exhibits, were read into the record.

The only witnesses heard were Mr. Lloyd, Joseph D. Thomas, attorney in the legal and compliance division of the department, and Wayne D. Hanna, attorney and former referee for the industrial accident commission.

Judge Fox admitted the report of the examination of the company as of Dec. 31, 1943, on motion of Deputy Attorney General Westphal, with the condition that it be handed to him sealed, that he may use it in consideration of the case, and return it to the attorney general at the conclusion of the case. This is the report on which the order to show cause issued in 1945 was based and which the department had endeavored unsuccessfully to have admitted as evidence at the hearing before the commissioner.

### Three Promoted by Assn. of Casualty & Surety Cos.

Two promotions of department heads and one new officer of the Assn. of Casualty & Surety Companies were listed when the executive committee re-elected its entire staff.

David Q. Cohen was promoted from acting manager to manager of the fidelity and surety department, and Frank Lang was raised from assistant research director to manager of the department of research. Robert N. Gilmore was named an assistant counsel.

Mr. Cohen joined the association in 1939 and became acting manager of the fidelity and surety department in 1946. Mr. Lang joined the staff as assistant director of research in 1944. Mr. Gilmore has been with the association since 1938. He is a graduate of Princeton and the University of Columbia law school.

### Tye Writes Treatise on Taxation of Insurers

Charles W. Tye, tax counsel of Maryland Casualty, is author of an article "Taxation of Insurance Companies" which he prepared at the request of the school of law, New York University. The article has been reprinted in pamphlet form and Mr. Tye has a limited supply available for those who might be interested. He treats the matter of taxation of all types of insurers under the federal revenue act. He treats the development of the tax historically as well as presenting the current methods

and analyzing some of the practical problems that are encountered.

Mr. Tye alludes to a proposed ruling published in the Federal Register March 12 that he said may materially affect the amount of net paid losses.

In prior taxable years, most companies have reflected salvage only as it was reduced to cash rather than on an estimated recoverable basis. The proposed ruling provides:

—For taxable years beginning after Dec. 31, 1946, that part of the deduction for "losses incurred" which represents an adjustment to "losses paid" for "salvage and reinsurance recoverable" shall include all salvage in course of

liquidation and all reinsurance in process of collection.

This ruling, Mr. Tye states, apparently requires estimates of salvage recoverable for years beginning after 1946, irrespective of the usual practice of reflecting salvage on a cash basis only. The tax effect on any company in the transition year is difficult to predict, and will require careful analysis of the prior years' salvage situation before any prediction could be made.

### Cost Conference Elects

LOS ANGELES—The southern California fidelity and surety acquisi-

tion cost conference named on the governing committee Fireman's Fund Indemnity, Globe Indemnity, U. S. F. & G., Hartford Accident and Maryland Casualty. The conference also approved the reelection of Rollo Fay as chairman of the Pacific Coast conference.

### Changes in Directorate

Col. H. A. Mullins, Toronto, member of the Canadian senate, has resigned as a director of U. S. F. & G., due to advancing years. Col. E. G. Hanson of Hanson Brothers Investments, Ltd., Montreal, and Alan P. Hoblitzell, treasurer of U. S. F. & G., are new directors.

## "Not... Miss Green!"



Yes... Miss Green... trusted employee of long standing... in urgent need of money, "borrowed" a total of \$20,376.40 from company funds.

Fidelity Losses often strike where and when least expected. Under pressure of conditions which call for extra money more employees, daily, yield to temptation.

## Central Surety FIDELITY BONDS

Relieve executive worry over this constant threat of fidelity losses.

### CENTRAL SURETY AND INSURANCE CORPORATION

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## ACCIDENT AND HEALTH

### Hospital Assn. Head Favors Taft Bill at Hearing

WASHINGTON—John H. Hayes, president American Hospital Assn., has endorsed the Taft health bill at a hearing before the Senate labor and public

welfare committee. He said he represented 3,800 hospitals.

His organization does not favor "tearing down" the present system "in favor of a federally controlled compulsory system," Mr. Hayes said, in opposing the Wagner-Murray-Dingell plan. Blue Cross success indicates "the

American people are able and willing to make their own provision for medical and hospital care without interference of a cumbersome federal scheme of compulsion," he declared.

Meanwhile, a House subcommittee on executive expenditures has started an investigation of what it calls government publicity and propaganda, claimed to be outside the law, with particular respect to promotion of compulsory national health insurance.

It's the unexpected

## CATASTROPHE

that "upsets the  
apple-cart" for the  
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**Excess Insurance is  
a necessity for even  
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Remember this: Companies large enough to self-insure the "average" claim, could not stand the financial strain of a catastrophe. That's why every self-insurer is a prospect for "Excess." Make them your prospects, your clients.

For over 30 years we have specialized in all forms of Excess Coverage tailor made to the risk—for Self-Insurers or Excess over Primary.

Solicit those accounts you know need this type of coverage and we will help you render your client real service and add to your premium volume. We underwrite through the oldest, largest, most experienced "Excess" market in the world—LLOYD'S OF LONDON.



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### Here's what other brokers earn from SINGLE SALES OF CREDIT INSURANCE

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Knowing credit insurance has helped many brokers pick up extra commissions like those listed at the left. You already have the contacts—right now, among your clients, there are manufacturers and wholesalers who are worried about their accounts receivable. They know that today credit losses are climbing, just as losses climbed after World War I. These clients are "Grade A" prospects for American Credit Insurance.



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Guarantees Payment of Accounts Receivable**

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*J. F. F. Fadden*  
PRESIDENT

testosts of claim checks are the most effective sales tools, he says. He regards the daily newspaper as the most fruitful source of visual selling material. Letters written by policyholders after settlement of their claims also are very effective sales material.

### Surgical Expense Form for Blue Cross Plan Offered

The Blue Cross plan has made no provision for surgical bills, and now that situation has been met by Hoosier Casualty through Val H. Hawkins, general agent of Chicago. Hoosier Casualty is offering to write surgical expense coverage on a family group basis in conjunction with the Blue Cross plan on men, women and children.

The normal schedule is \$100 of surgical expense, for which the male rate is \$6, female \$7.20, and children up to age 17 are \$6, both male and female.

If it is desired to have a schedule of \$150, the rates above are increased 50%.

### Woodley N. A. Acc. Actuary

W. C. Woodley, who has been with the actuarial department of Lincoln National Life at its head office, has become actuary of North American Accident of Chicago, which as is known is now writing life insurance. He graduated in the actuarial course of the University of Toronto. Walter R. McGregor, who has been actuary, has resigned.



PEARCE H. YOUNG

succeed Reginald Snyder, American Hospital & Life. Leo E. Coffman, Columbian National Life, was named vice-president; Sydney Altman, Metropolitan Life, reelected secretary-treasurer. Directors are Fred McGinnity, American Life & Accident; H. B. Miller, Mutual Benefit; Fred Schuth, American Hospital & Life; Leroy Bohley, Federal Life & Casualty, and George L. Dyer, Jr., Insurance Agency Co.

Adam Rosenthal, General American, who spoke on "Visual Selling," said he has been selling life insurance on that basis for 20 years and has adapted his plans to accident and health as well since joining his present company. Photo

When twin brothers who were members of a recent insurance marketing course at Purdue University were victims of an automobile accident, one being killed and the other permanently disabled, a poll of the class showed that only 15 of 55 in the class were carrying accident insurance.

Don Bouma of the Heldstab agency of General American Life at Grand Rapids, Mich., undertook to service their needs in this respect and obtained 17 applications, with total premiums of \$727.20.

### Hanson Los Angeles Speaker

Ernest F. Hanson, representing Standard Accident with the Automobile Club of Southern California, addressed the Los Angeles Assn. of Accident & Health Underwriters on "What Makes the Salesman Click." He declared that everyone is a salesman, that any man in any business is a salesman. He listed as the 10 essentials for success as a salesman good health, personality, intelligence, common sense, tact and diplomacy, initiative, attention to duty, cooperation, enthusiasm and loyalty.

### United Enters California

United of Chicago has been licensed for disability and life business in California and has named William Ault of Los Angeles as general agent.

### Report on Sterling of Chicago

An examination of Sterling of Chicago shows assets of \$4,787,602 and surplus of \$2,188,724. The examiners report that during the last four years the company has operated profitably and earnings have permitted a continuous increase in surplus.

The company is licensed only in Illinois, but since the last examination has entered and withdrawn from Utah.

### Blue Cross for Tenn. Farmers

NASHVILLE—The Blue Cross plan of hospitalization is to be extended to farmers in rural sections of Tennessee through county farm bureaus, the Tennessee Farm Bureau Federation announces. They will also be covered by the Rural Health Improvement Assn.

John Marshall of Chicago has applied for license in California.



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## CHANGES IN CASUALTY FIELD

### McNeil Takes Amer. Surety H. O. Post

American Surety has advanced C. W. McNeil, manager at St. Louis, to sales promotion manager at the home office.



C. W. McNeil

O. L. Curtis

Mr. McNeil is succeeded by Orson L. Curtis, assistant manager. Mr. Curtis attended Washington University before joining American Surety in 1924. Mr. McNeil has been manager at St. Louis since 1942. He attended the University of Cincinnati before joining American Surety in 1922.

Robert B. Wheeler has been named assistant manager at Cleveland. Following graduation from Denison University in 1939, Mr. Wheeler joined the accounting unit of the Toledo branch. He was transferred to Cleveland in December, 1942. He was in military service.

### McGoun Takes Over Detroit Post for Indemnity of N. A.

Samuel H. McGoun, assistant manager of the Indemnity of North America Detroit service office, has taken over the duties heretofore handled by E. O. Warren, former manager, who recently resigned.

Mr. McGoun, a native of Newcastle, Pa., joined the company in 1940 as a special agent in charge of the Albany service office. Previously, he was a local agent. He remained in Albany until he enlisted for war service in 1944. On his return two years later, he was appointed assistant manager at Detroit. He received his A.B. degree in commerce and finance at Pennsylvania State College.

### Announce Setup of Bankers Indemnity's Ohio Branch

Bankers Indemnity has completed the following organizational setup for its Ohio branch, Cleveland: John L. Crowley is the vice-president in charge. George E. Lasch is the manager of underwriting, production and service. These departments are under William E. Linklater, Benjamin J. Davis and Hollis A. Hart. W. A. Roderick is claims manager. Associated with him are Granville Brooks, Alfred Driscoll and J. Parker Gardner, who is at Cincinnati. Territories reporting to the branch are West Virginia, western Pennsylvania, Kentucky and Ohio.

### F. & D. Transfers Several Men in Field Posts

William E. Shaw, manager in Memphis for Fidelity & Deposit and American Bonding, has been transferred to Cincinnati as manager, replacing Franklin J. Roelle, who has been granted indefinite leave of absence to attend to personal affairs in his home town, Bu-cyrus, O.

Fred C. Cochran, formerly manager in Richmond, has been named manager at Memphis. The Richmond office remains under active direction of Fred C. Robertson, resident vice-president. Charles M. Hart, Jr., formerly special

agent, has been appointed assistant manager in Richmond.

Mr. Shaw has been with F. & D. since 1928, connected with various branch offices. Before going to Memphis in 1946 he served for seven years as assistant manager at New York.

Mr. Cochran joined the F. & D. in 1928 as special agent in Charlotte and in 1933 was transferred to Richmond in the same capacity. He was appointed

assistant manager of the latter office in 1935 and manager in May, 1942.

Mr. Hart has been associated with the Richmond office since 1943. He left to join the army in April, 1944, and resumed his former position with the company in October, 1945.

### Corbin to San Francisco

L. G. Corbin, who has been casualty and surety special agent of the Ray Rosendahl & Co. general agency at Los Angeles, has been transferred to San Francisco in charge of the casualty

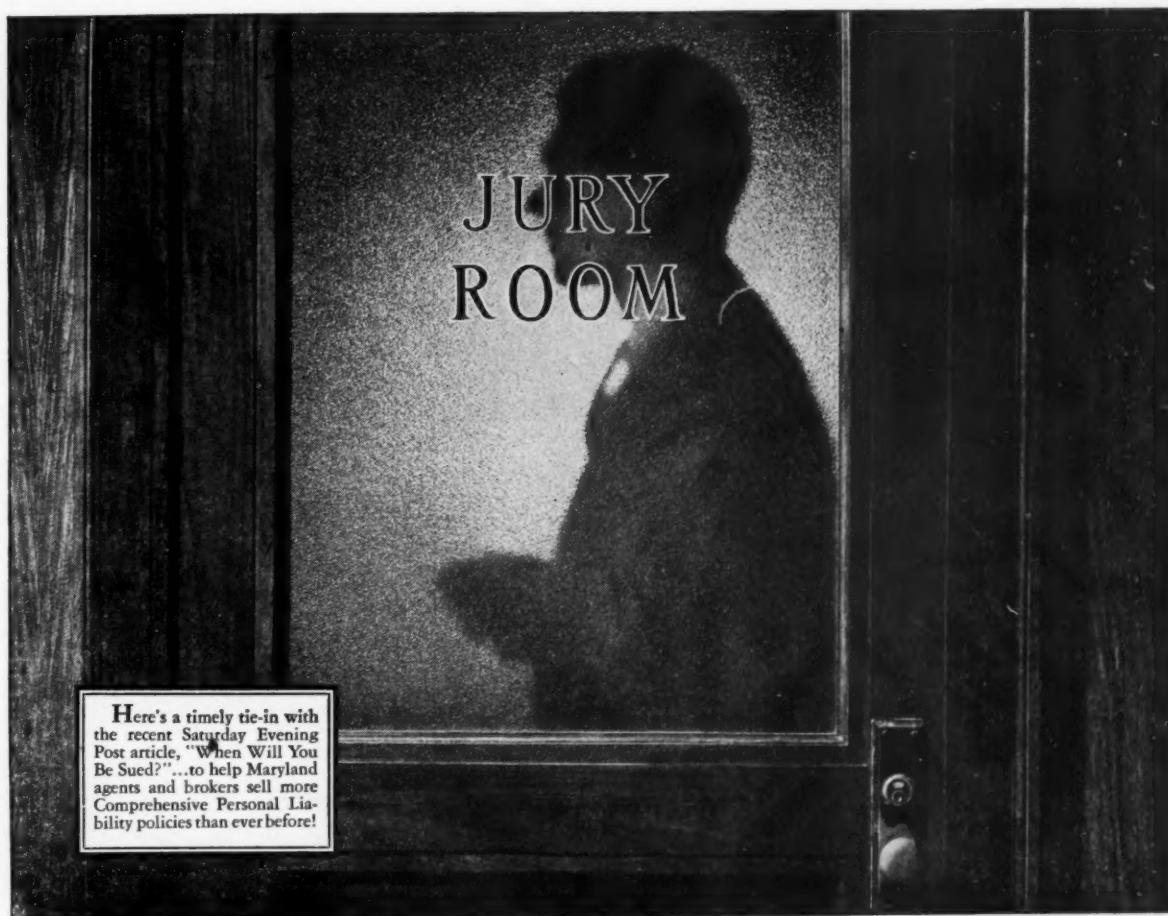
and surety department. He succeeds R. R. Poulton, resigned.

### Callahan to Sacramento

John J. Callahan has been appointed special agent at Sacramento, Cal., for Massachusetts Bonding. Before entering service he was with the Philadelphia office.

The Insurance Club of Washington, D. C., will hold an outing June 20 at Indian Spring Country Club, with dinner, entertainment and door prizes.

**"Unforeseen events . . . need not change and shape the course of man's affairs"**



Here's a timely tie-in with the recent Saturday Evening Post article, "When Will You Be Sued?" . . . to help Maryland agents and brokers sell more Comprehensive Personal Liability policies than ever before!

### WHEN WILL YOU BE SUED?

That's just what The Saturday Evening Post asked America recently . . . in a public-spirited article that cited case after actual case where a family's home, savings, possessions were wiped out overnight . . . because of a ruinous suit for damages based on personal liability.

This article awakened thousands to the ever present threat of a similar disastrous suit that *you*, too, face . . . when a visitor slips in your home and is injured. Or that golf ball you slam down the fairway lands someone in the hospital. Or your child's bicycle piles into a pedestrian. Or your

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# THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN TIME—NEWSWEEK—U.S. NEWS

## Agrees on Central Office Issues

(CONTINUED FROM PAGE 17)

consideration. Nevada's representative was absent.

Mr. Follman stressed the unusually large number of new and varying laws with various effective dates, the possibility of a revision of the standard provisions law in the immediate future and the possibility of future revisions in the Official Guide. He pointed out that one state might make one edition of the guide mandatory and another state might apply another edition. He emphasized that it had always been the practice and intent to make the guide apply only to policies submitted for approval after the guide's effective date.

The rulings are needless, he said, be-

cause the model A. & H. regulatory bill gives the commissioner the right to withdraw approval for cause; new legislation pending or passed in the various states will require comprehensive changes in A. & H. forms; finally, competition will force insurers to reprint their forms periodically. This factor alone, he said, obviates the need for the ruling.

### Public Interest Angle

As for the possibility that the trouble and expense caused by the rulings would be justified by the public interest, Mr. Follmann said the third edition of the guide did aim to eliminate some abuses practiced by a relatively few insurers, but the advantages to be gained for policyholders are not in any way commensurate with the costs and difficulties with which insurers would be saddled.

There was considerable discussion of the Official Guide's prohibition of making strict compliance with the policy a

condition precedent to recovery. It appeared to be the committee's intent that any kind of compliance clause should be barred. Harold R. Gordon, managing director Health & Accident Underwriters Conference, suggested this be made clear by eliminating the word "strict." Chairman Knowlton agreed that this should take care of it. However, Mr. Gordon also brought up the point that in some states a contract cannot be enforced unless it has a compliance clause.

### To Raise Business Standards

C. C. Fraizer, general counsel Health & Accident Underwriters Conference, said the conference is at work through its business standards committee to curb the borderline companies which lower the business' standing by unconscionable claim practices and unconscionably low loss ratios. He said 95% of the business—perhaps 96% or 97%—is conducted on a decent, high-class plane, with an average loss ratio over the years of 54%. He conceded that a few of the borderline companies were in the conference but said most were not in any organization.

Victor Cohen, New York department, urged that regulation of accident and health companies be on a uniformly high level rather than on a minimum basis.

R. A. Payne, Travelers, made a progress report on the proposed standard provisions law.

The anticipated debate on the use of underwriting profit and loss in the rate formula, desired by the companies, as opposed to all profit and loss, contained in the commissioners all-industry version of the model rating bill, failed to materialize at the fire and marine committee meeting. Dineen of New York, association president, announced that the briefs on this point filed in response to his request were still being studied and he was not ready to report. He said that hearings would be held and that these would be official for New York state, looking toward promulgation of departmental regulations, as well as being for the benefit of the N.A.I.C.

### Question of Unearned Premiums

Harrington of Massachusetts, asked by Chairman White, Mississippi, to comment on the computation of unearned premiums, said the question was tied in with the commissioners' 1921 profit formula. He said that some in the fire insurance industry believe the formula for computing the unearned premium reserve should be modified to take account of the fact that if it were ceded there would be at least some credit for expenses paid by the ceding company. He said he had tried to get the proponents of this idea to come out in the open and advocate it but they were "allergic" to doing so. He mentioned that Canada companies need use only 80% for the unearned premium reserve.

However, following Mr. Harrington's talk G. D. Finlayson, Dominion superintendent, pointed out that this leniency is for all practical purposes nullified. British and foreign companies, which write 80% of Canadian fire business, must in computing their reserves for statutory deposits take account of the full unearned premium reserve, while for Canadian companies there is an additional requirement of a 15% margin. Similarly, the full reserve is used in computing the underwriting profit on which the companies are taxed. He said he would be sorry to see the American companies use Canada as a precedent for going to an 80% basis, since he felt that it was only through a legislative error "in a moment of weakness" that Canada adopted it.

### Using Underwriting Capacity

Mr. Harrington also took up the question of whether the fire companies are utilizing their underwriting capacities as fully as they might. While not committing himself to the theory that a company should not let its unearned premium reserve exceed its surplus to policyholders, he said he had made a study of 11 of the largest company groups on

this point. One, for example, has a reserve of \$29,000,000 and a policyholders' surplus of \$19,000,000. Yet it is an old, well managed company that is not going to fold up by any means. Another group has \$81,000,000 reserve and \$194,000,000 policyholders' surplus. He said it could apparently increase the unearned premium reserve more than 100% and still be within the formula's limit. He cited another group with figures of \$115,000,000 and \$94,000,000, respectively, in the two categories, and another with \$56,000,000 and \$127,000,000.

Of the 11 groups six have not used their full underwriting capacity, based on the formula. In the aggregate the 11 groups had \$649 million unearned premium reserves and \$821 million policyholders surplus, which he took as meaning that the fire insurance business still has considerable additional capacity for serving the public that is not being utilized. He said the development of multiple line underwriting should help the fire companies give additional service to the public.

### Form of Social Insurance

While disclaiming any wish to assume the role of manager, Mr. Harrington said he thought fire companies should bear in mind that because fire insurance is vital to business and home-owning it should be viewed as a growing form of social insurance. He warned that if the public is denied what it needs, the government has a habit of stepping in. The government should keep out of business, he said he found it hard to defend himself against those who say, "here is an economic necessity that the companies can't or won't furnish." He pointed out that when government takes over it is not because a few self-willed men have decided to do so but because of public demand. He recalled the genesis of the War Damage Corp. and National Service Life Insurance in this connection, saying that the fire and life companies could have safely handled both these risks but instead insisted that the government do it.

Coming back to the 1921 underwriting profit formula, Mr. Harrington said the term "underwriting" is ambiguous as used in the formula and should not be enacted into a law until the ambiguity inherent in the term as used in formula is removed. He said that despite the invitation issued six months ago the companies had done nothing to remove the ambiguity. He warned that if the ambiguity remains it will not be surprising if different commissioners, relying on advice of their attorneys-general, interpret the term in a variety of ways.

### Kentucky Department's Move

L. J. Taft, actuary Kentucky department, read a letter which Director Wilson sent in March to companies, pointing out that some agents were delaying claims by failing to send them to the companies and asking that the companies notify their agents to report all claims immediately and that the companies report to the department any agents who persisted in holding back claim notices. E. I. Taylor, vice-president Aetna Fire, applauded this move. Mr. Harrington was critical of it as asking the commissioners to handle a matter that the companies should be able to take care of. C. A. Abrahamson, Omaha local agent, agreed it should be a company-agent matter. He opposed Mr.

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McCormack's suggestion to make it mandatory for agents to report losses within a specified time and furnish the insured with a proof of loss form, saying it would merely pile more paper work on the agent. Chase Smith, Kemper group, said Mr. McCormack's plan would add chaos to confusion, that it is a management problem and one best handled by management.

Mr. Dineen announced that copies of a pamphlet covering all the investigations and discussions in connection with the new classification of fire occupancy hazards were available to members of the association gratis and to others at \$1.50 a copy.

No action was taken on the Moser amendments to the all-industry rating bills. However, Mr. McCormack was strongly critical of the amendments. Neither was any action taken on the final item on the agenda, the proposal for a national advertising amendment to the unfair trade practices model bill.

The multiple coverage committee held a brief session at which a report was made of a previous session of that committee and of the Demand industry committee. In that report the Appleton rule of New York was condemned as the greatest single obstacle to the development of multiple line underwriting. Gough of New Jersey got up to pay his respects to the Appleton rule, asking: "Why should New York continue to block real worthwhile insurance service to the public? The Appleton rule should be abolished."

McCormack asked the laws and legislation committee to take some action to advance his crusade for legislation in the various states governing the qualification of commissioners and deputies, actuaries and examiners. It was decided that this would be put on the agenda in December and that each commissioner would be notified in advance, so that he could appear and state his views.

The final committee session Tuesday was that on workmen's compensation with Hodges of North Carolina presiding. W. F. Roeber, National Council on Compensation Insurance, submitted a report of tests that the industry had conducted to determine the feasibility of modifying in various ways the payroll base for premium computation purposes, as some of the commissioners, notably Gibbs of Texas, had desired to have done. The committee concluded that not only was it not advisable to modify the base in any way, but they suggested that consideration be given to doing away with the overtime elimination and the \$100 weekly maximum.

A payroll audit test was made of 130 cooperative risks and the problems there

## April Traffic Toll Is 8% Better

Traffic fatalities at the end of the first four months of 1947 were 14% under last year, the National Safety Council says.

The 1947 toll was 9,250. The April toll alone was 2,330, a reduction of 8% from the same month last year.

This reduction was accomplished in the face of an upward trend in mileage. Mileage in the first three months was 12% greater than in the same period of 1946. The council said this means that the mileage death rate for the nation was down 25% at the end of March.

Despite these apparent gains, the council said that March and April showed less traffic safety improvement than previous months.

encountered, the committee declared, would be magnified in applying modifications to mine run risks. The cost of maintaining special records is too costly for assured; there is the danger of manipulation of records, and in the final analysis the insurers must get the same total amount of revenue, no matter to what base the premium is related. The base that is the simplest and the most readily verifiable is the best and that is the total payroll.

What the industry does propose is that a rate level correction factor be devised, based upon recent underwriting experience, whereunder aggregate effect could be given state by state to general situations that have a bearing on rates. The committee expects to be able to present something specific along this line in December.

Hodges announced appointment of a committee of departmental men to study the question of graduation of premium by size of risk, consisting of C. C. Lloyd, California; G. B. Elliott, Pennsylvania; Thomas Shands, Florida; G. A. Peery, Virginia; J. F. Collins and James Higgins, New York; L. J. Yaudes, Wisconsin, and Paul Penbrook.

## Actuary Shows 85% of RR Men Voluntarily Covered

(CONTINUED FROM PAGE 20)  
ericksburg & Potomac, Western Maryland.

In addition, New York Central Railroad Mutual Relief Assn. operates on a somewhat different basis to provide sickness, accident and death benefits, closely paralleling the accident and health companies, and the voluntary relief associations.

The information supplied Mr. Brown by these relief associations shows a total number of insured railroad employees of 403,684. In most cases the figures are for Dec. 31, 1946. Eight of the associations, covering 385,944 employees paid benefits in 1946 amounting to \$10,097,971 to employees and beneficiaries.

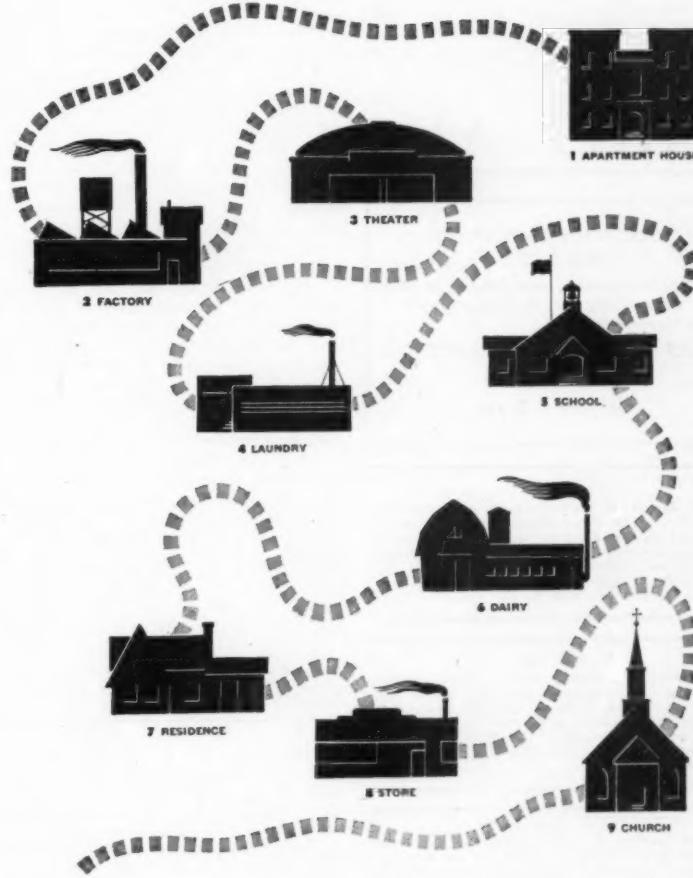
Figures were not available for all relief associations on the percentage of employees of the railroads covered, but for the six associations supplying information, the percentage of employees covered was in excess of 75%.

Mr. Brown comments that these voluntary relief associations are of long standing, the oldest being founded in 1896. Since organization, seven of the associations, covering approximately 340,000 employees, have paid out in benefits a total of \$278,974,099.

## DEATHS

William A. Brown, since 1909 field manager and general agent for Nebraska of Interstate Business Men's Accident, died at Lincoln. He had been ill for some time.

Willard H. Butts, 82, for 30 consecutive years secretary of Western Travelers Accident, died at his home at La Jolla, Cal.



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## NEW RATE LAWS MAJOR TOPIC OF SOUTH CAROLINA AGENTS

(CONTINUED FROM PAGE 3)

automobile financial responsibility law is a major need in his state and should be pushed at the earliest opportunity, now that the work on rate laws has been completed, at least temporarily.

Agents should be prepared for a recession in values and be ready to sug-

gest reductions in insurance whenever justified, Mr. Hudson emphasized. He also said that there is a serious challenge to companies and agents to work together with the insurance department to carry out the requirements of the new rating bills. Agents, he said, should not attempt to circumvent approved methods of operation, bureaus should work with all cards on the table. Most important of all, Mr. Hudson concluded, the entire insurance business should not blindly resist changes and should not wait for public or political pressure to bring about any needed improvements.

O. S. Johnson, Clarksdale, Miss., executive committee member of the National Assn. of Insurance Agents, was the official N.A.I.A. representative. He reviewed the duties of the personnel of the New York and Washington offices of the National association and also discussed the work of several committees in detail. The aviation committee, he said, has for the first time brought about cooperation between insurers and the varied segments of the aviation industry. He described the fire prevention committee as doing a remarkable public relations job and at the same time bringing fire prevention to the public, while the casualty committee has won the respect of the entire insurance business for its work in improving forms and rules and developing new coverages.

may be paid, if it can be established that it cost that much to repair.

Replacement cost or depreciation insurance has also been authorized by the new law. It provides that after the value of the building has been determined and stated on the policy, an additional amount of insurance may be written, this to be recoverable only if the building is rebuilt. The old valued policy law had made replacement cost insurance unworkable. It was also brought out that coinsurance is permissible if this is stamped on the policy or form in bold type, but this is not required to be on the outside of the policy.

The other speakers at the opening session were Mrs. Pearl Wingard, president Columbia Assn. of Insurance Women, Manley Stockton, Atlanta, assistant manager Hartford Fire, who discussed the future of automobile insurance; J. R. Jones, Columbia, commissioner of agriculture, who spoke on the future of cotton in South Carolina, and

ability the new rate laws, plus the determination of the public and insurance supervising officials to squeeze any excess profit out of common insurance lines, will take care of any excess commission problems. Although he predicted intense competition between agents and direct writing carriers, he said that a direct writer cannot secure and hold business for nothing and that the only serious danger to the agency method of doing business lies in possible duplication of costs. If agents perform the services expected of them, instead of leaning on field men and other company employees, cost competition should be taken care of by economic laws. He pointed out that the companies, both agency and direct writing, have shown a phenomenal growth during the last decade and invariably got most of this growth from the insured in overalls, whether farm or factory. He said the future of the fire and casualty insurance business lies in broadening its base of customers, just as the life insurance business accounted for much of its expansion between the two wars through the development of industrial business.

### Meet Public Demands

On the question of government entry into the insurance business, Mr. O'Connor said that in his opinion this will happen only if the private insurance business fails to give the public the forms of protection it wants. The growing tendency to turn insurance coverages into social instruments is a problem which no insurance man dares ignore, regardless of the immediate situation in his state. In the casualty business, the most important manifestation of this is the demand that automobile accident victims be compensated, as evidenced by financial responsibility laws, judgment guarantee funds, and similar legislation. He praised the development of medical payments insurance as a major step toward meeting this demand and forestalling advocacy of socialized insurance.

Mr. Jones said that it is impossible to forecast 1947 cotton prices, but he personally thinks they will be favorable, because the carryover is less than last year and the world demand is strong, while production outside the United States has diminished. Cotton is still the largest industry in South Carolina, but the state has moved into a far healthier economic condition during recent years. The textile mills now consume three times as much cotton as the state grows, and the mechanization of farms has sharply reduced the cotton acreage, although the yield per acre has been vastly increased. This has resulted in much more diversification of the products of small farms, with resultant excellent effects on the health and economy of the state.

The Hartford Club, composed of the staff in the Pacific department of the Two Hartsfords in San Francisco, is holding its annual outing June 7.



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### RATE LAW PANEL

The panel on the new insurance laws, which closed the Thursday afternoon session, attracted so much interest that the members vetoed President Hudson's suggestion to postpone it because of the lateness of the hour. Sen. W. P. Basquin, Jr., Bishopville, was unable to attend as scheduled and was replaced by D. D. Murphy, deputy commissioner. The other members were Commissioner L. G. Benjamin, Jr., and Past President T. R. Miller, Florence. Mr. North acted as moderator.

After Mr. Miller had described the work of the all-industry committee in South Carolina and emphasized that there is nothing sacred about the new laws and that they can and should be changed whenever experience indicates, Mr. Benjamin said that they reflect over 3,000 suggested amendments which came in after a two-day hearing. It was brought out that the new rate laws should not affect agency operation at all, but that another section requires an examination of any new agent after Oct. 1. Mr. Murphy said that the new agency law gives the insurance department a much better chance to investigate the fitness of an applicant than the old law and gives it more authority to check applicants who intend to write only their own business.

### Valued Policy Law

Rating bureaus must be licensed, Mr. Benjamin said in answer to a question, but so far no rating organizations have applied, so there is no way of knowing whether many companies intend to file their own rates or to organize their own rating bureaus. It was brought out that a rating organization licensed under the law cannot reject the application of any company except for cause, and that a rejected applicant has the right of appeal.

There was much interest in the changes in the valued policy law of the state. It will now be feasible to write blanket coverage for manufacturing insured, since they may be exempted from the valued policy law at their option. Another change provides that in case of partial loss to underinsured property, the face amount of the policy

J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, on selling problems of the future. The Friday program opened with a discussion of rating bureau problems by W. W. Sampson, Atlanta, manager Southeastern Underwriters Assn., after which the agents went into executive session to hear the official reports and elect officers.

### Work of Women's Groups

Mrs. Wingard described the work of her organization and other women's organizations in promoting educational courses and the improvement they have brought about in the caliber and service in insurance offices. She said that prior to the organization of the women's group scarcely one insurance woman in her city knew another and many of them had very little interest in their work. She appealed for continued support of the women's program.

Mr. O'Connor said that in all prob-

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Surplus	• • • •	8,202,508.93
Voluntary Contingency Reserve	• • •	750,000.00
Surplus to Policyholders	• • •	\$12,952,508.93
Reserve for Losses	• • •	7,320,969.41
All Other Liabilities	• • •	6,021,613.24
<b>TOTAL ADMITTED ASSETS</b>	<b>\$26,295,091.58</b>	

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Kansas Hail Loss in May Disrubs Wheat Farmers

WICHITA—Widespread hail damage to the anticipated bumper Kansas wheat crop resulted from storms May 25-26. Hundreds of losses were reported from the western Kansas counties of Edwards, Ellis, Gove, Graham, Greeley, Hamilton, Kiowa, Lane, Norton, Pawnee, Phillips, Pratt, Reno, Rush, Scott, Sheridan, Stafford, Stanton, Thomas, Trego, Salina and Sedgwick. Losses were more numerous in Edwards, Ellis, Graham, Pawnee, Pratt, Reno, Rush, Sheridan and Stafford counties, and heavy damage was reported from south-western Reno county.

Three previous storms, all much lighter and less extensive, had occurred April 28, May 14 and May 18. Abnormal cold which brought snow and freezing temperatures to the extreme western part of the state May 27 is thought not to have damaged the wheat crop in Kansas to any extent.

No estimate has been released as to how much the anticipated 250 million bushel crop has been reduced by the hail losses. Wheat farmers are hoping for an end to the prolonged rainy season and for a period of moderate temperature to give the fields a chance to dry out in time for harvest, which started last week in western Oklahoma.

### General of Seattle Men Gather in Regionals

More than 100 General of Seattle agents attended regional meetings at Mankato, Minn., and Minneapolis May 20 and 22. The purpose was to give local agents and key personnel of General's Chicago branch and Twin Cities service office opportunity to become better acquainted. Luncheons and afternoon programs were arranged by Field Representatives D. F. Bruzek and E. H. Anker, in their respective territories.

The program at Minneapolis began with introduction of R. E. Slaughter, Stillwater, a director since the company was founded in 1923. He spoke of the close personal interest which he shares with other directors in the progress and welfare of the company and agency organization. The underwriting and business development program was discussed by Vice-president John B. Scurry, L. G. McKnight, supervisor of fire underwriting, and G. H. Bear, claims supervisor. Clarence C. Myers, agency supervisor, Chicago, discussed the current business outlook and related agency problems.

### Hutchinson Agents Elect

New officers of the Hutchinson (Kan.) Assn. of Insurance Agents are Joe McGuire, Berry-McGuire agency, president, succeeding W. G. Woelslagel, and John Kline, Kline Insurance Agency, vice-president. A secretary will be named later.



### Minn. Field Men, Agents in Public Relations Drive

MINNEAPOLIS—A joint public relations program is being carried out by Minnesota field men and local agents. The Minnesota Underwriters Assn. which is handling the project for the field men, has set up committees to correspond with committees of regional agents associations.

Thus far meetings have been held by the West Central, South Central and Range regional associations, at which field men explained what stock companies are doing to cooperate with local agents in the field of public relations. The agents are obtaining lists of community leaders to whom the companies will send simple facts about capital stock insurance.

At the West Central Regional meeting C. R. Garrett, chairman of the public relations program of the Minnesota Underwriters Assn. for that district, and George W. Blomgren, executive secretary of the Minnesota Assn. of Insurance Agents, were the speakers.

### School for Mutual Agents

LANSING, MICH.—A school of instruction for central Michigan mutual agents was held here under auspices of the 1752 Club of Michigan. D. J. Woodworth, Jackson, state agent of Iowa Hardware Mutual, club president, presided and talks were given by J. M. Nolan, Shelby Mutual Casualty; J. S. Kerper, Employers Mutual Casualty; W. A. Blanchard, Detroit, Pawtucket Mutual Fire; Wayne Burkam, Van Wert, O., Central Manufacturers' Mutual, and Ray Hayes, Detroit, Lumbermen's Mutual Casualty.

### NEWS BRIEFS

William F. Kramer has retired from the Reliable Insurance agency, Dayton, O. He is chairman of the Reliable Fire of Dayton. The agency will be continued by John W. Kramer, secretary of that company, and Corwin R. Dobb.

Alexis Caswell, who has been secretary-treasurer of the Insurance Buyers Assn. of Minnesota and a consultant for the Minneapolis Civic & Commerce Assn. is retiring because of his health.

New officers of the Rock Island Assn. of Insurance Women are Doris Lauber, president; Juanita Jahns, vice-president, and Gladys Clure, secretary-treasurer.

Mrs. Faye Jackson, Wolverine, was re-elected president of the Insurance Women of Decatur, Ill. Vice-president is Mrs. Louis Cobb, Cobb agency; secretary, Mary Jane Taylor, Josten Agency; treasurer, Mrs. Charlotte Sabel, Sank agency. Florence McConnell is national board member and Mrs. Jackson and Mrs. Virginia Hayden will be delegates to the national convention.

## EAST

### Zwinggi Heads Pittsburgh Agents

William J. Zwinggi of Logue Brothers & Co. was elected president of the Pittsburgh Assn. of Insurance Agents at the annual meeting. He succeeds Raymond A. Tucker, of Tucker, Johnson & Smelzer.

E. W. Murphy was chosen vice-president. New directors are: Frank P. Fletcher, Vulcan Real Estate Corp.; Earl B. Hess, H. P. Lichtenhaler, Freehold Real Estate Co., and Paul C. McKnight.

Stanley Cowman, president Pennsyl-

vania Assn. of Insurance Agents, spoke, extolling the Pittsburgh association for its leadership in meeting public law 15 problems. He explained the agent's need for better public relations and said fire and accident prevention offer golden opportunities for the agent to do something beyond the call of duty.

A resolution was adopted extending sympathy to Frank D. Moses, secretary-manager Pennsylvania Assn. of Insurance Agents, on the death of his wife.

Mr. Zwinggi has been in the insurance business since 1914, having been with American Surety and later Pittsburgh manager of Southern Surety and Home Indemnity. He joined Logue Brothers & Co., a 61-year-old general agency, in 1933, and is secretary-treasurer. He is past president Surety Assn. of Pittsburgh and has been vice-president Insurance Club of Pittsburgh.

### Winchester Speaks June 12

The Hudson County Assn. of Insurance Agents will hold the final meeting

of the season June 12 at Kearny, N. J., with Philip M. Winchester, general manager Fire Companies Adjustment Bureau, in New York City, as the speaker.

### N. J. Agents Open Newark Office; Unger in Charge

An administrative office has been opened in the Federal Trust Co. building, Newark, by the New Jersey Assn. of Insurance Agents. Charles J. Unger was placed in charge as secretary-treasurer.

He has been secretary-treasurer on a part-time basis for three years, and formerly was secretary of the Hudson County association. Mr. Unger joined the Nelson & Ward agency of Jersey City in 1921 and became secretary-treasurer of the Nelson general agency of that city when it was formed early in 1938. He held that position until resigning to take the New Jersey agents post.



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# IN THE SOUTHERN STATES

## Outline Program, Setting for Alabama Agents' Meet

E. Allen Sullivan, Sullivan-Mann agency, general chairman of arrangements for the annual convention of the Alabama Assn. of Insurance Agents in Mobile Sept. 11-13, has announced that the headquarters will be the Battle House instead of the Admiral Semmes Hotel. Registration will begin Sept. 11 and

that afternoon the directors and committees will meet. The evening of Sept. 11 there will be a dinner for past presidents, with John O'C. Jackson, Mobile, immediate past president, presiding.

On Sept. 11 there will be breakfast for agents handling farm risks. President Jesse C. Hearn will preside.

The first session will be closed. The afternoon session on Sept. 12 will be open to all who have registered. The annual dinner dance will be Sept. 12.

Sept. 13 the meeting will move to

Gulf Shores Hotel, where officers will be installed and the convention concluded. Recreation on the beach and other entertainment features will be provided.

## Okl. Field Workers Are Cooperating in Program

OKLAHOMA CITY—The Oklahoma fire insurance fraternity is cooperating 100% in the educational publicity movement sponsored by the National Board and Western Underwriters Assn. The Oklahoma organization headed by George E. Wyatt, Hartford

Fire, general chairman, and M. B. Breeding, local agent of this city, co-chairman, is rapidly being completed.

The state has been divided into congressional districts each with a chairman for companies and co-chairman for agents, who have appointed chairmen of sub-committees.

Meetings will be held June 11 and 13, when Wallace Rodgers of W.U.A. at Chicago will explain the national program. Field men and all agents of eastern Oklahoma are urged to attend the June 11 meeting at Muskogee and those from the western part of the state the June 13 meeting at Chickasha. The latter will be held in conjunction with the regional meeting of the Oklahoma Assn. of Insurance Agents.

## Boykin & Branch Open in Birmingham

Two leading Alabama field men have organized a new general agency under the firm name of Boykin & Branch, with an office in the Massey building, Birmingham. The members of the firm are Claude E. Boykin and W. W. Branch.

Companies represented are Old Colony, Eagle, Provident, Albany, Car & General and Norwich Union Indemnity.

Mr. Boykin started in the general agency field last August, and the new firm was set up June 1 when Mr. Branch came in. Mr. Boykin has been in the insurance business nearly 20 years. He first was with the Alabama Inspection & Rating Bureau, then with Bankers Fire & Marine for 10 years, for a long time as secretary. He later was state agent for Irby-McKinney Co., Atlanta, remaining until he established his general agency.

Mr. Branch started in insurance 20 years ago and was a field man on the eastern seaboard for 10 years. He is a graduate of New York University. For the last 10 years he has traveled Alabama for Great American.

Both men are past most loyal ganders of Alabama Blue Goose. Mr. Boykin is past president Alabama Fieldmen's Assn. and Mr. Branch has held office in that organization.

## Myers Joins Reynolds Agency

Frank G. Myers has acquired a half interest in the Reynolds Agency at Miami, Fla., and the name has been changed to Reynolds-Myers Insurance, Inc.

Will B. Reynolds has been president and general manager of the agency since 1935. His father started the agency in 1912 and it is one of the oldest in the city. Mr. Myers was formerly with the Green-Keyes-Vanderpool agency at Miami for 15 years as president and general manager.

## New Orleans Golf Outing

The annual golf tournament of the New Orleans Insurance Exchange was held at Lakewood Country Club near that city, with a big turnout. Following luncheon the golf matches were held, with these results: First flight: George Wegmann, Louis Bodenheimer and Ben Brill, Jr., tied for first place; second flight: Bill Vance; third flight, Jules Viosca; guest flight, Sam Rosen. The driving contest was won by Newt Padgett and Marion Kessler; hole in one, by A. Tyler and Newt Padgett. Jules Viosca won the trophy for low net.

## List Birmingham Speakers

The Birmingham Assn. of Insurance Agents will conduct its regular monthly meetings through the summer. June 9 R. J. Layton of "Rough Notes" will discuss agency operation methods.

July 14, George W. Yancey, Birmingham attorney, will discuss legal factors of importance to local agents.

## Hunt Resigns Okla. Post

Joe Hunt has resigned as rate expert for the Oklahoma insurance board. His plans for the future are not ready to announce.

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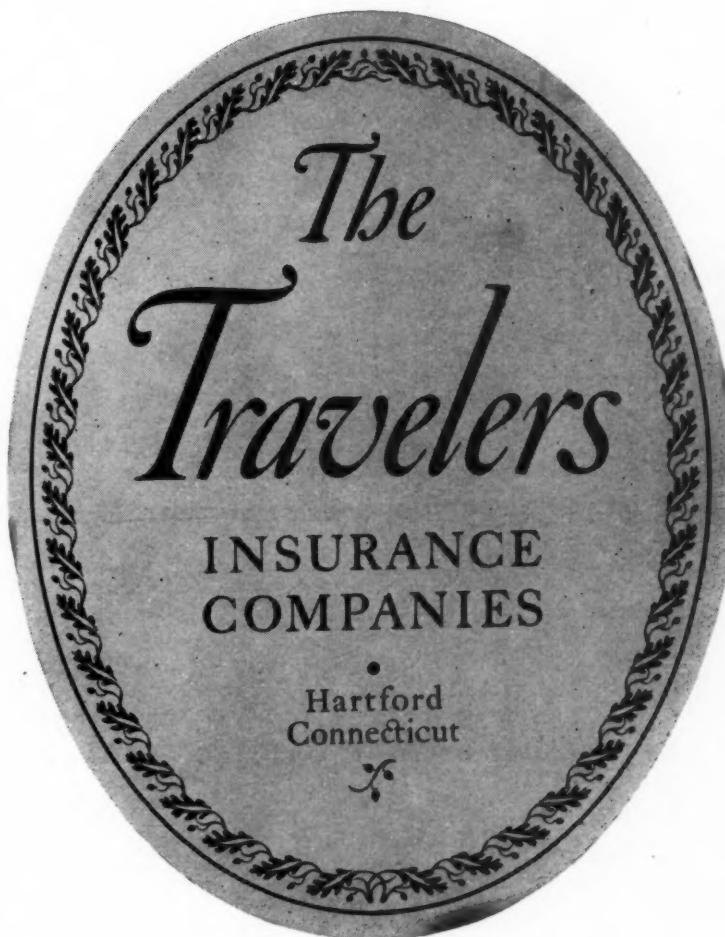
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